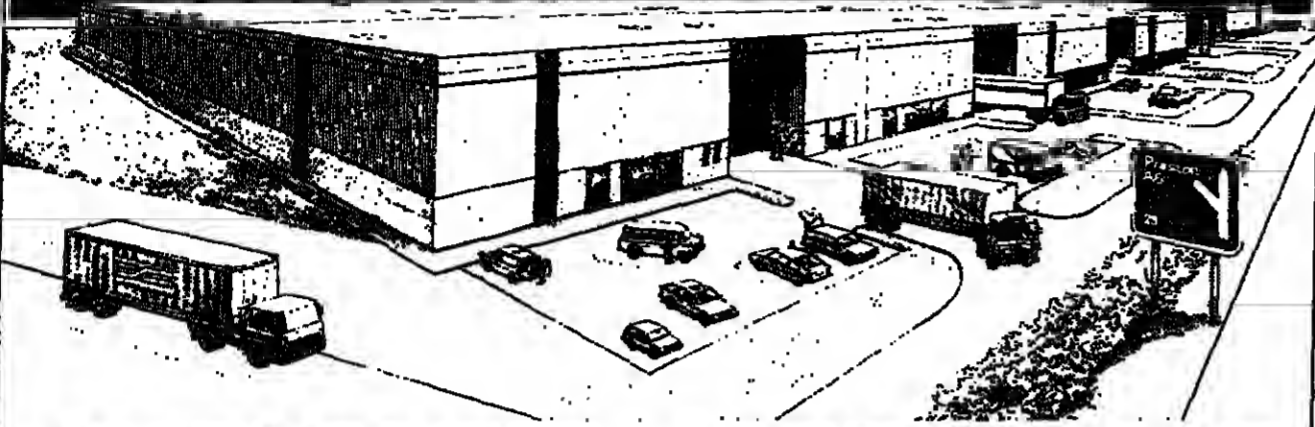
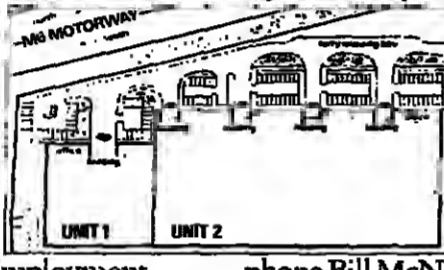


SUPERB 142,000 SQ.FT. M6 MOTORWAY UNIT.

Can be sub-divided into multiples of approximately 30,000 sq.ft.



- Ultra-modern M6 motorway warehousing development. Unit 1 is a self-contained unit of about 30,000 sq. ft. Unit 2 provides some 112,000 sq. ft., available as one unit or divided into smaller areas for industrial lettings if required.
- Within a 100 mile radius are over 19 million people—more than the combined populations of the countries of Norway, Sweden and Denmark.
- Located at Walton Summit Employment Centre, the warehouse is just two minutes drive from junction 29 of the M6 motorway, and midway between London and Glasgow.
- The M61 and M55 motorways are only 10 minutes distant.
- Manchester Docks are just 50 minutes away by road.
- Liverpool Container Port is 60 minutes away.
- Manchester Airport is under 50 minutes by motorway, and London about 2½ hours on the electric inter-city.
- Good design and an attractive site layout make Walton Summit an exceptionally pleasant place to work. Private and rented housing is readily available.



For more information telephone Bill McNab FRICS, Commercial Director, on Preston 38211. Or write to the address below.

Central Lancashire
A BETTER PLACE TO BE

CENTRAL LANCASHIRE DEVELOPMENT CORPORATION, CLIFTON HALL, JAMBER 1901 0, 191 5 0 N 6 9 6 3 A X, TELEPHONE: PRESTON 6772 8 2 1 1.

EUROPEAN NEWS

IFO SURVEY OF CAPITAL OUTLAY PLANS

Spending by W. German industry 'will fall 7%'

By Stewart Fleming in Frankfurt

CAPITAL SPENDING by manufacturing industry in West Germany will slump by 7 per cent in real terms this year, after a similar rate of decline in 1981. In 1983 the slide in capital outlays over the past two years should come to a halt, but in real terms expenditure will stagnate.

These are the broad conclusions from the latest survey of industry's capital spending plans produced by the IFO economics institute following responses from over 3,000 companies which together account for over half industrial spending on buildings and equipment.

The analysis confirms expectations that industrial investment is unlikely to provide a major stimulus to the German economy next year. Moreover the IFO survey suggests that well over half of capital spending will be directed towards the rationalisation and modernisation of capacity.

The IFO says that capacity use has shrunk to 74 per cent currently, and now lies below the level recorded during West Germany's deepest post-war recession in 1975. This, the institute says, helps explain

why companies in general are not interested in expanding capacity.

The results of the survey taken in August and September show that this year investment spending has been cut slightly from levels anticipated in its survey at the beginning of the year. Much of the decline this year is due to cuts in capital outlays in the consumer goods sector of 5-10 per cent in paper manufacturing and clothing and up to 20 per cent wood processing.

Expenditure in the investment goods sector in 1982 stagnated in nominal terms and would have declined more sharply in real terms were it not for the rise of 10 per cent in the automobile industry where a major restructuring programme is under way.

Capital spending in chemicals and steel are down around 10 per cent in money terms this year, IFO estimates.

The IFO says that compared with a year ago the survey shows a greater inclination to invest by industrial companies, but when this trend is quantified it shows a nominal increase in spending of only about 3 per

Warsaw threatens strikers with force

By Christopher Bobinski in Warsaw

THE POLISH authorities have made it clear they will not flinch from using force to prevent an eight-hour general strike and demonstrations called for today by the underground leadership of the now-dissolved Solidarity union.

"We are determined to maintain security. Let there be no misunderstanding about that," Mr Jerry Urban, the Government's press spokesman, said yesterday.

Since martial law came in 11 months ago, there have been 15 people officially admitted killed in protests in Poland. The implication of government statements released since Monday evening is that there could be more if the situation today warrants the use of firearms. The authorities have said, however, that Martial law could be lifted by the end of the year if the country stays calm.

Meanwhile, shop-floor workers have been warned that they could lose their jobs if they strike. Managers have been made responsible for the behaviour of work

EEC members cool on Pisani proposals to double foreign aid

By Larry Klinger in Brussels

EUROPEAN COMMISSION hopes that the EEC member states would make a renewed public commitment on overseas aid at their summit meeting next month has dimmed.

This follows the cool reception given to the commission's latest proposals for a new aid strategy by the Community's Council of Development Ministers.

The ministers, meeting in Brussels to give a first reading to Development Commissioner Edgard Pisani's proposals that EEC aid should be doubled over the next 10 years, gave a cautious welcome to his suggestions that future aid should be aimed primarily at obtaining food self-sufficiency in the poorest coun-

tries through programmes jointly administered by the EEC and the developing nations.

But it was apparent that the majority of the member-states were reluctant to commit themselves on trying to define any new policy in detail, especially in finance.

West Germany, whose new Centre-Right Government suggested only this weekend that it might feel forced to curtail its aid programme for economy reasons, led the critics of M Pisani's proposals as being too vague.

The specific issue of increased aid spending is not due to be taken up in detail until the EEC's Council of Foreign Ministers meets in two weeks' time. Nevertheless, it was

abundantly clear that the member-states do not want to spend any more money, said one EEC official.

The Commission is proposing that the member-states double its legal aid allocation over the next three years to 0.1 per cent of the EEC's collective gross national product.

West Germany, supported by Britain and the Netherlands, argued that the Community should proceed slowly. The EEC's current Lomé trade and aid arrangements with the 63 African, Caribbean and Pacific countries in any case had to be renegotiated next year. The Community would also have to co-ordinate its future policy with other world bodies.

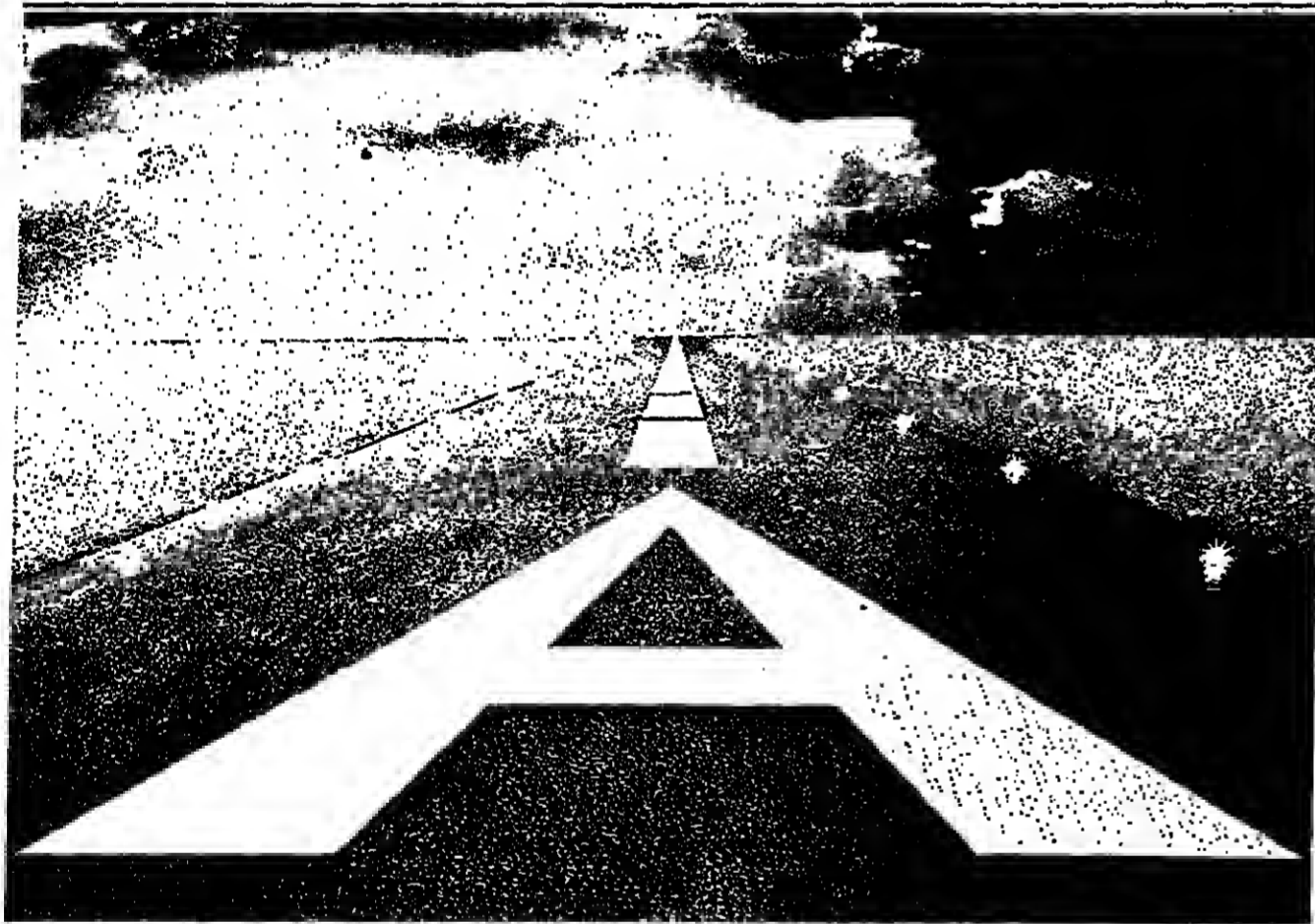
Solidarity, for its part, has rallied on markets to drum up support for the stoppage which is the first of a series of protests leading up to a general strike in the spring. By official accounts, these leaflets have appeared in most major towns and factories in recent weeks.

Solidarity's Warsaw leadership has called for workers to leave their factories after the stoppage and demonstrate in the centre of the city.

Preliminary results published by the Polish Government's Central Statistical Office show a 5 per cent rise in industrial production in October compared to the same month last year.

This is the third consecutive rise in production, officials believe this three-month rise shows that the economy has begun to recover.

Over the first 10 months of this year, however, industrial production fell by 4 per cent compared to the same period in 1981 and by 16 per cent compared to 1979.



In International Banking the A comes first.

The Abecor A that is. Because Abecor is the biggest banking association of its kind in the world. It is an association of 9 leading European banks with total assets exceeding 400 billion US Dollars. Like an airline, Abecor provides an important link, taking you to the heart of international markets.

Network Through the member banks, Abecor has a network of 12,000 branches in 120 countries. So Abecor gives International businessmen the best opportunity of all to deal with an organisation that's both locally based and internationally strong.

Services The complete international banking service includes economic intelligence, financial advice, credit facilities, detailed information from local banks—and it's all as close as the member bank in your country.

- Abecor—the member banks**
- Algemene Bank Nederland
 - Banca Nazionale del Lavoro
 - Banque Bruxelles Lambert
 - Banque Nationale de Paris
 - Barclays Bank
 - Bayerische Hypotheken- und Wechsel-Bank AG (HYPO-BANK)
 - Dresdner Bank AG
 - Österreichische Länderbank
 - Banque Internationale à Luxembourg
 - Associated Member
 - Banque de la Société Financière Européenne



Barclays is the Abecor Bank in Britain.

Where Businessmen meet to do business.

As any businessman knows, it's important to be seen in the right places. But there's one such place that has a distinct advantage. Because it enables you to meet more of the people you want to meet, without even moving from your desk.

The Financial Times Tuesday Business Page has established itself as the leading market-place for business opportunities for both buyers and sellers. Backed up by strong, relevant editorial, which is widely read and admired among individual entrepreneurs and prominent institutions alike. So you can be certain of a receptive audience.

For more information, get in touch with

John Wisbey at the address below. You may find it could do both your business and your waistline a whole lot of good.



THE FINANCIAL TIMES TUESDAY BUSINESS PAGE



THE USUAL TABLE



THE FAMILIAR BAR

FINANCIAL TIMES
TUESDAY BUSINESS PAGE.

Financial Times, Advertisement Department, Bracken House, 10 Cannon Street, London EC4P 4BY. Telephone: 01-248 8000. Telex: 885033 FINTIM G.

JAN 10 1983

EUROPEAN NEWS

Poland makes first repayment on 1982 debt interest

FRANKFURT - Poland has made its first interest payments for 1982, covering the first two months of the year, slightly ahead of schedule, according to banking officials here.

East Berlin pledges more aid to Angola

EAST GERMANY has pledged intensified military aid to the Marxist Government of Angola during a visit to East Germany by the Angolan Defence Minister, Colonel Pedro Maria Tonba.

New EEC bid to agree on strategy for coal

EEC Energy Ministers yesterday launched a fresh attempt to develop a Community coal strategy aimed at balancing the production and investment needs of the UK and West Germany - the EEC's main coal producers - against the interests of consuming countries.

ROBIN LANE FOX Offers signed copies of his new book BETTER GARDENING (32 col. plates: 188pp) for the profit and amusement of F.T. readers, plus free seeds of the newly-introduced ANIGOZANTHUS (retail price: £1.10), donated by world famous seeds men Thompson and Morgan Ltd.

Rupert Cornwell in Rome assesses Prime Minister Spadolini's thorny task of reconciliation Squabbles threaten Italy's two-month coalition

IT IS hard not to feel sorry for Sig Giovanni Spadolini. Italian Prime Minister, constantly beset by bickering at home, deserve perhaps more than heads of government from any other country the respite afforded by a journey abroad.

Instead, confusion reigns. Parties are divided, and the various scenarios being hawked around betray the impatience of the politicians with the present status quo and their inability to agree on any other formula for running the country.



Sig Spadolini... no respite

Both problems reflect the country's extraordinary, but increasingly unsustainable, ability to live beyond its means. The figures show that even Italy is now in the grip of the world recession, but one would not so judge from the wealth on display and the consumption in the shops.

ILO invited to inspect pipeline

THE Soviet Union has invited the International Labour Organisation (ILO) to inspect living and working conditions on the trans-Siberian gas pipeline, following allegations in the West that it has been using "slave labour" on the massive project.

Madrid Conference resumes on note of deadlock

THE 35-nation Madrid conference on security and co-operation in Europe resumed sessions yesterday on a characteristic note of deadlock.

behalf of the European Community, noted that during the recess period "the negative trends in the international situation have not been reversed."



INDIAN TRADE EXHIBITION See modern industrial India

- Engineering & Industrial Products & Components
•Chemicals, Plastics & Allied Products
•Computer Peripherals, Software & Components
•Processed Foods & Beverages
•Sports & Leather Goods
•A wide range of Textiles & Carpets
•Clothing & Accessories
•Jewellery, Giftware, Handicrafts, Fancy Goods & other consumer products.

NOVEMBER 10-20 1982 NATIONAL HALL OLYMPIA LONDON

Unfortunately there are few things in life as reliable as a U-BiX copier.

Life has a nasty habit of letting you down when you least expect it. As any weight lifter will agree. But letting you down is something U-BiX copiers are designed not to do.

Our reputation for reliability has been painstakingly won over the years. But it's been worth it. Because now U-BiX copiers are acknowledged to be the most reliable money can buy. And our copies are famous for being remarkably difficult to tell from the original.

Rather than one major breakthrough, it's been fastidious development of established technology. With new features added because they'll usefully improve your productivity - not our ego.

It's as true for our desk-top copier (the U-BiX 90) as for our revolutionary U-BiX 450 RAS copying system (so advanced it thinks for itself). If you want a copier, you want reliability. If you want reliability, you want U-BiX.

Form with fields for Name, Company, Address, Postcode, and Tel. Includes text: 'This coupon will bring you the reliable facts. Or phone 100 and ask for Freecore 3670.'

OVERSEAS NEWS

David Lennon and Nora Boustany examine renewed contacts between Druze communities after 34 years' separation

'If you are not a Jew, you have no place in Israel'

THE COURTS martial of several Israeli Druze soldiers who left their units to try to help defend Lebanese Druze villages under attack from the Phalangist forces has sharpened the identity crisis felt by the Druze Arab community in Israel.

tee opposes army service for the Druze because its supporters feel that serving the state in this way has brought the Druze no benefits.

Mr. Said, a law student at Tel Aviv university said: "The Government doesn't give me the feeling that I am an Israeli. Israel took away the land of the Druze for Jewish settle-

ments, and discriminates against Druze villages in the financial assistance which it gives their local councils."

Arab villages and towns in Israel. "There is a lot of agitation in the West to force Russia to release that fellow Shcharansky" chips in Yussuf. "But what will happen if he is let out? He will come here and take over our land. My family has lived here for more than ten generations. I have fought in

the army to defend Israel, but when he arrives, Shcharansky will have more rights here than I do."

currently enduring. The Druze in Israel believe that the Druze in Lebanon can take care of themselves. Because of this, Israeli Druze who have been involved in training Phalangists in the past felt no contradictions about their action despite the historical tensions between the Christians and Druze in Lebanon.

Iran guards to have separate ministry

THE GROWING power in Iran of the revolutionary guards who fight alongside the regular army was emphasised yesterday when the Iranian parliament passed a Bill calling for a ministry for the guards separate from defence.

'We are Lebanese . . . we are not giving that up'



SINCE THE Israelis invaded Lebanon young Druze men have streamed across the borders and married from Lebanese Druze families. The Mayor of Habaya, in southern Lebanon, Mr Bahjat Shams said: "As soon as borders opened, hundreds of Israeli Druze flooded into Lebanon thirsty to meet others of their own sect, to get to know them and intermarry with them."

Israelis on the Druze-Christian conflict has had caution among the Druze. While the Israelis have allowed their allies, the Christian militia, to fan out unchecked in the Lebanese mountains, they have also approached the Druze community with offers of help against the militias.

weapons and Israeli army uniforms without insignia to Druze patrols. According to Israel Radio, the Israeli army is helping the Druze to disarm and ensure they have been forbidden by the Israeli commander there, a Druze, to take the arms outside Habaya.

THE Government of Prime Minister Chafik al Wazzan was granted special powers by Parliament yesterday in a bid to rule by decree and ensure a rapid recovery from the ruin and destruction Lebanon has suffered, Nora Boustany reports.

actions and counter-reactions." He conceded that the situation on the ground was beyond the control of well-intentioned leaders and warned that Israel was using the friction as a "point of pressure against President Gemayel."

Indonesia to double foreign borrowing

A GROWING balance of payments deficit is expected to double Indonesia's public sector foreign commercial loan requirement next year, according to a senior banker.

Jakarta forecast a current account deficit of \$7.5bn for 1982-83 — three times the \$2.4bn deficit recorded in 1981-82.

The Indonesian Government borrowed \$960m from commercial banks in the eight months since April this year, he said, and were expected to borrow heavily next year.

cent. This ratio was well within prudent limits, he said. Most foreign bankers and economists in Indonesia view concurred with Dr Ismael's view. The country's foreign exchange reserves are still substantial.

Afghan fire claims more than 1,000

ISLAMABAD — More than 1,000 Soviet troops and Afghan civilians died when a fuel tanker caught fire and exploded after a collision in a road tunnel north of Kabul, it was reported yesterday.

Faction leaders' bluff called, says Watanabe

ANTI-MAINSTREAM leaders in Japan's ruling Liberal Democratic Party who forced Prime Minister Zenko Suzuki to step down last month by confronting him with the need to fight a contested election for the leadership have had their bluff called, according to Mr Michio Watanabe, Japanese Finance Minister.



Mr Watanabe . . . expected Mr Suzuki's "surprise" announcement

S. Africa's car industry in decline

THE RECESSION in South Africa's motor industry continues to deepen. The Sigma Motor Corporation, 75 per cent owned by Anglo-American and 25 per cent by Chrysler is to make another 400 workers redundant at its plant near Pretoria.

BARCLAYS BANK IS NOW IN BOGOTA TO HELP YOUR COMPANY INTO COLOMBIA

The Barclays Group of Banks has opened a representative's office in Bogota. So now we are on the spot to help and advise you on your trade and business development in Colombia.



covering all the world's major financial centres — so we can support your international business interests wherever they may be.

If you wish to do business with Colombia, contact Michael Johnson, our representative in Bogota, at the address below.

Papua New Guinea to sack over 3,000 civil servants

CUTS IN Government expenditure, including the sacking of 3,300 civil servants, were announced in yesterday's Papua New Guinea budget by the Minister for Finance, Mr Phillip Bouraga.

State Bank of India

State Bank of India announces that its base rate is reduced from 10% to 9% per annum with effect from November 8 1982.



Barclays Bank International Limited, Carrera 7 No. 26-20 Piso 15, Apartado Aereo 35408, Bogota, Colombia.

AMERICAN NEWS

IMF agreement on Argentine aid package delayed

BY JIMMY BURNS IN BUENOS AIRES

INTENSE NEGOTIATIONS between Argentina and the IMF on a \$2bn (£1.2bn) aid package are continuing in Washington...

Argentina has in principle accepted the need for monetary and fiscal restraint. It has also foreshadowed growth in gross domestic product of 5 per cent in 1983 and an inflation rate of about 150 per cent.

Banks urged to maintain lending to Third World

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE International Monetary Fund yesterday called on commercial banks not to make abrupt reductions in their lending to developing countries...

Mexico lifts interest rates

BY WILLIAM CHISLETT IN MEXICO CITY

THE BANK of Mexico has begun to raise interest rates on peso time deposits in a move to satisfy the International Monetary Fund (IMF)...

GOVERNMENT OF THE STATE OF GOIAS. SANAMENTO DE GOIAS S/A. 510 OFFICE. INTERNATIONAL PUBLIC BID No. 1182-SANAGO.

U.S. oilmen haunted by spectre of hefty new taxes

BY PAUL BETTS IN HOUSTON

A SMALL but well-orchestrated band of black men and women stood chanting and waving banners outside the Houston Hyatt Hotel in Houston...

Mr Charles DiBona, APT's president, warned the oilmen of the danger that the new Congress, nervous over immense budget deficits, will use the widespread public animosity towards this industry as an excuse to solve the deficit problem with a huge new tax on oil companies.

Mexico settles debt to Brazil

BY Andrew Whitely in Rio de Janeiro

THE WORLD'S two heaviest debtor nations, Brazil and Mexico, with loans outstanding to the international banking community, totalling \$165bn, have reached agreement...

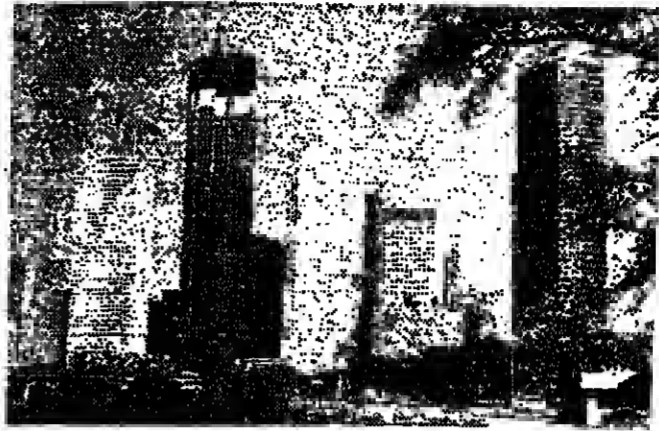
Part of Mexico's debt will be settled in cash and part through reciprocal credit lines to be opened between the two countries' central banks. In Brazil's case this will be used to pay for the continuing purchase of 60,000 barrels of oil a day from Mexico's oil fields.

U.S. warning on Libyan oil

Washington has warned U.S. companies it may take action against them if they import products manufactured from Libyan crude into the country...

Honduras bid to curb smuggling

The Honduran navy, which controls the registration of merchant vessels in Honduras, has cancelled the documents of 500 vessels which had been using Honduran colours as a flag of convenience...



Houston—meeting-place of U.S. oil moguls

It seemed, however, a little odd that the oilmen should worry so much about taxes just after scoring what appeared to be a major fiscal victory. This followed the ruling last Friday by an 82-year-old federal judge in Wyoming that the 1980 windfall profits tax on oil production, the industry's biggest bete noire, was unconstitutional.

ducers and their trade body, the Independent Petroleum Association of America, in filing the suit in the first place.

Mr Garvin, for example, suggested that if the ruling did stand it would only help oil company cash flows as long as Congress did not substitute the tax with something worse. Another oil man said the Treasury was unlikely to give back billions of dollars of tax revenues...

This would be bad news for all the oil companies which last month spent a total of \$5.1bn in a federal lease sale for the rights to drill in Alaska's Beaufort Sea. The biggest spenders were Standard Oil of Ohio, 53 per cent owned by BP, and BP's Alaska subsidiary which, between the two, bid nearly \$700m in the auction.

El Salvador Right plans to block talks with guerrillas

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

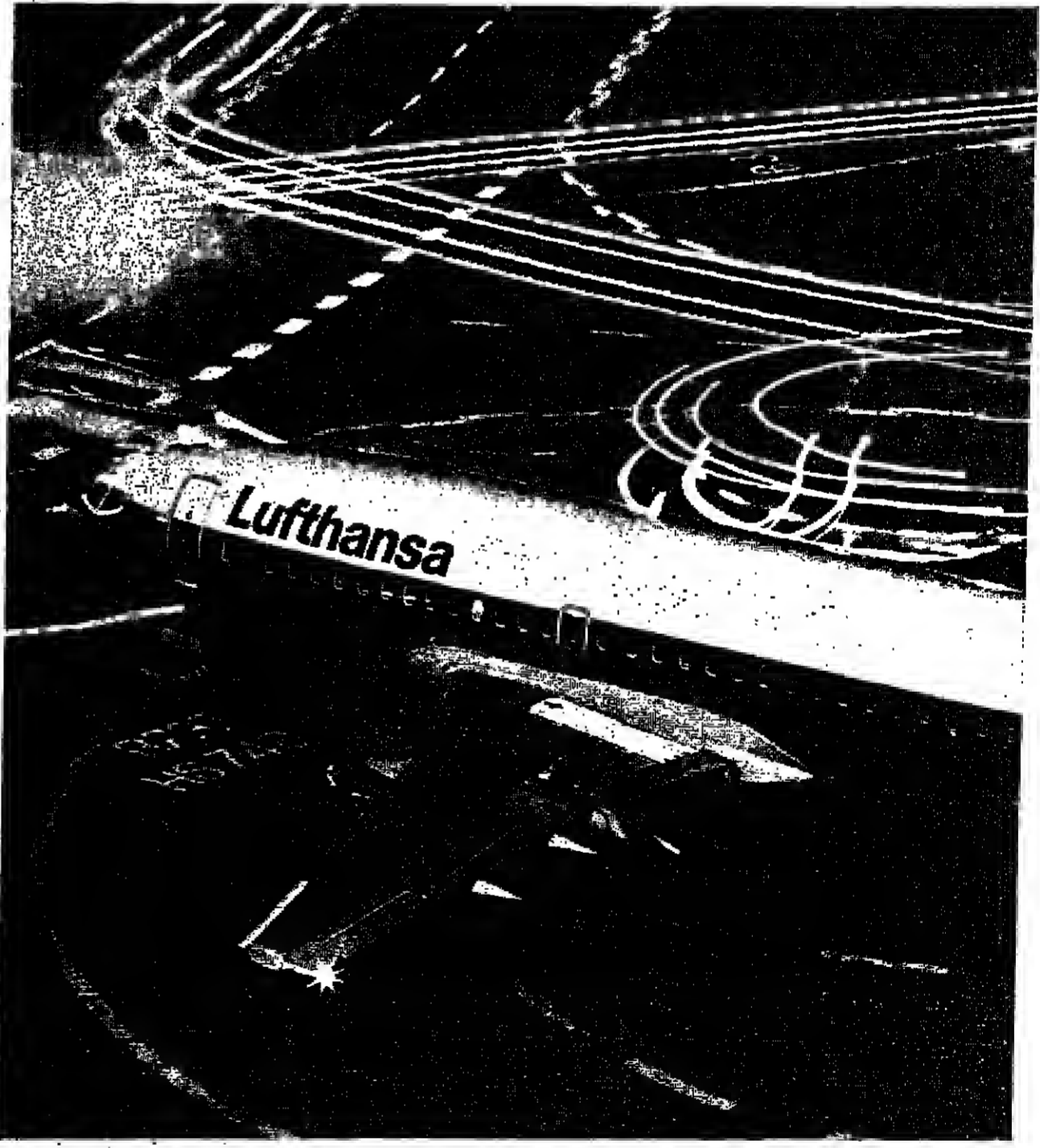
THE EXTREME right in El Salvador is to force a vote in the Constituent Assembly in San Salvador in an attempt to block efforts to start negotiations with the left-wing insurgents.

Major Roberto d'Aubuisson, leader of the extremist Arena party and chairman of the assembly, said on Monday he would seek a vote as soon as possible. He is confident of winning.

The church leader's call is seen as an important shift in sentiment by the local bishops and by the Vatican which is planning a visit to Central America by the Pope next year. Major d'Aubuisson and leaders of the business community have also reacted angrily to criticism by Mr Desne Hinton, the U.S. envoy to El Salvador, of human rights in the country and clear indications from Washington that the U.S. will halt aid to the government of President Magaña...

"Lufthansa: Impeccable. Always on time."

Style (Johannesburg) October 1981



When one knows that Lufthansa maintains the world's youngest fleet and that our servicing standards are rated top of the class, it certainly comes as no surprise to learn that we also offer you an unparalleled punctuality record.

Lufthansa German Airlines

BASE LENDING RATES

Table listing base lending rates for various banks and currencies, including A.B.N. Bank, Barclays Bank, and others.

UK NEWS

Nurses offered extra 1/2% and review body

BY JOHN HUNT

MR NORMAN FOWLER, the Social Services Secretary, has increased the pay offer to nurses for next year from 4 per cent to 4.5 per cent - an extra half per cent which is worth an additional £11m.

Coal Board gives 'hit list' assurance

By John Lloyd

UNIONS representing overseas and managers in the National Coal Board (NCB) yesterday accepted assurances from Mr Norman Siddall, the board's chairman, that the NCB had no "hit list" of pits and that it did not intend to accelerate the closure programme.

Minister orders state arms factories to be more commercial

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE GOVERNMENT'S arms factories have been told to improve their profitability, and they are also to give the means to stand on their own feet commercially.



Mr John Nott

Government to take steel decision soon

BY IVOR OWEN

MR PATRICK JENKIN, the Industry Secretary, assured the House of Commons last night that long-term needs would be taken fully into account by the Government before any decisions were reached on how to resolve the problems of the British Steel Corporation (BSC).

Council makes loan to Meriden co-operative

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

WEST MIDLANDS Country Council is lending Meriden Motorcycle Co-operative £104,000 of ratepayers' money to ease cash flow problems.

Coal Board gives 'hit list' assurance

It has said it will call Mr Siddall to give evidence to the committee in about two weeks' time. It will also call on Mr Arthur Scargill, president of the National Union of Mineworkers (NUM).

NEW COMPANY BASE? NEW FACTORY? A big decision made simple by four key factors.

COMMUNICATIONS Internal - No site in Newport is more than ten minutes from a motorway, railway or dock.



SITES A total of 450 acres is available. Factory, storage and office facilities from 750 to 40,000 square feet.

Road - London is just two and a half hours down the M4. Bristol is half an hour away, and the M50 North/South connection is fifteen minutes from central Newport.

Rail - Newport is just 93 minutes from Paddington, 111 minutes from New Street, Birmingham.

Air - From Rhosneigr airport you can fly direct to Amsterdam and most UK centres. Heathrow is a consistent two hours drive.

Sea - We have container facilities, plus regular import/export links around the world.

PEOPLE The people you take will like Newport. There's superb countryside to live in, not just visit. And all the other things that make up the quality of life all within easy reach.

The people you hire have a fine track record as a workforce. In a 10 mile radius from Newport there are 170,000 workers. They are brought up on a variety of skills ranging from engineering to electronics.

AID A full time Industrial Development team offers a unique blend of business skills. And local knowledge about site availability, planning clearance, finance, health and safety details.

Newport is a Development Area. This means that there are numerous opportunities for assisted schemes.

Form for requesting a brochure: Name, Position, Company, Address, Telephone.

COMPANY NOTICES

CONSOLIDATED COMPANY BULTFOUNTAIN MINE, LIMITED. GRUQUALAND WEST DIAMOND MINING COMPANY, DUTOITSPAN MINE, LIMITED. DECLARATION OF DIVIDENDS.

ROLINCO. ROTTERDAM ANNUAL GENERAL MEETING OF SHAREHOLDERS. To be held at the Hilton Hotel, Weena, Rotterdam, on 23rd November 1982, at 2.30 p.m.

LEGAL NOTICES

No. 001423 of 1976 THE COMPANIES ACT, 1948 IN THE MATTER OF EACHMIN PROPERTY COMPANY LIMITED.

RESIDENTIAL PROPERTY

In Marbella... OUTSTANDING OPPORTUNITY FOR INVESTORS. SPANISH PRIVATE BANK sells 5 BUILDINGS (almost finished) consisting of APARTMENTS, COMMERCIAL PREMISES and GARAGE SPACES.

MOTOR CARS

Only £100 deposit on New Cortinas WHILE STOCKS LAST. CORTINA CRUSADER. Deposit Weekly £38. 1.6 L Saloon £100. 2.0 Saloon £100. 1.6 Estate £100. 2.0 Estate £100.

CANADIAN NORTH ATLANTIC WINDING FREIGHT CONFERENCE. CANADA-UNITED KINGDOM FREIGHT NOTICE TO SHIPPERS AND IMPORTERS.

NOTICE TO non-holders. BANK HANDOVER W. WAREHOUSE S.A. US\$ 30 million. Financial notice due 1982.

No. 000078 of 1978 THE COMPANIES ACT, 1948 IN THE MATTER OF AYLESFORD CONTINUOUS STATIONERY LIMITED.

SWITZERLAND. FOREIGNERS can buy apartments on LAKE GENEVA, in Montreux near LAUSANNE on all year round resorts. St. Julien near Geneva, Villars, Verbier, Les Diablerets, Leysin, etc.

Of interest to collectors of old MG's. 28 models can be viewed London area Home market or for Export. For your new or used. MOTOR CAR ADVERTISING APPEARS EVERY WEDNESDAY AND SATURDAY.

M.L. HOLDINGS P.L.C. 84% DEBENTURE STOCK 1982-1993. NOTICE IS HEREBY GIVEN that the Registrar of Companies and Registrar of Members will be CLOSED for the 26th November, 1982 only.

Quebec Central Railway Company CAPITAL STOCK. In preparation for the payments of the balance of the 1982 dividend on the shares of the Company, the Transfer Books will be open from 10.30 a.m. on December 10, 1982, to 4.00 p.m. on December 22, 1982.

PERSONAL. FACT THE DAILY INJECTION of insulin, is, for many the only way to stay alive. They have: DIABETES. Join us - Help us Support us BRITISH DIABETIC ASSOCIATION.

PENTHOUSE HIGGATE WEST HILL No. 1. A SENSATIONAL SPLIT-LEVEL PENTHOUSE in an award-winning luxury development comprising approx. 4,000 sq. ft. of dramatic floor-space with stunning views over Higgate Ponds and Kenwood.

AIRCRAFT FOR SALE. Ser. No. 246. Highest Ser. No. G.II available. Stragnoli's maintained aircraft has 1200 hours of time. Autium and engine's current on GAC computer maintenance programme.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES. London: The Financial Times Limited, Bankers House, 10 Cannon Street, London EC4A 3DF. Tel: 01-573 4000.

WEST YORKSHIRE METROPOLITAN COUNTY COUNCIL. £12m 01-40p. Bills issued 10 November 1982 due 9 February 1983. Bills outstanding.

CLUBS. THE GASLIGHT OF ST. JAMES'S, London's most active gentlemen's night club. Nightly entertainment, dancing, singing, cabaret acts. Hourly bar 8-9 p.m. 9-11 p.m. Open Mon-Fri. 8 p.m. to 11 p.m. Sat. 9 p.m. to 11 p.m. Sun. 10 p.m. to 11 p.m. Tel: 01-438 1648 4030

AMERICAN EXECUTIVES seek luxury furnished flats nr houses up to £350 per week. Usual fees required. Phillips Kay & Lewis 01-839 2245

TRAVEL. TOKYO, Osaka, Seoul, Taipei and Far East. Wide choice of discount flights. Brochure, Japan Services Travel. 01-437 5763.

Financial Times advertisement for various services and products, including insurance and travel.

UK NEWS

Dan-Air in bid to take over routes to Iberia

By Arthur Sandles in Cannes
DAN-AIR, the airline subsidiary of Danavia and Newman, has become the third contender to take over several routes to Spain and Portugal when British Airways abandons the last of them next spring.
The airline will this week apply to the Civil Aviation Authority for the right to fly from both Gatwick and Manchester to Palma, Mallorca, Alicante in southern Spain, and the Portuguese coastal city of Faro.

Travel agents attack Laker's plans

BY ARTHUR SANDLES
AN ATTACK ON Sir Freddie Laker and his plans to launch a new package tour company drew an ovation from nearly 3,000 travel agents at their annual conference in Cannes.

(compulsory insurances required of all tour companies), in order to get cash back for themselves and clients in the wake of the Laker collapse.
"...We have got to put any pressure we can to prevent him getting his licences," said Mr Elms.

Profits of food makers 'will show small rise'

By David Churchill, Consumer Affairs Correspondent
FOOD MANUFACTURERS' profits this year are likely to rise by no more than the general inflation rate, and less than industrial profits overall, according to the latest industry forecast from stockbrokers Phillips and Drew.

Fuel conversion loan scheme may fail

BY MAURICE SAMUELSON
BRITISH INDUSTRY is to be offered a range of long-term low interest loans for converting to coal from other fuels, but the scheme has taken so long to work out that it is in danger of being stillborn.

BA in shuttle plan with Belgium's Sabena airline

BY OUR AEROSPACE CORRESPONDENT
BRITISH AIRWAYS is discussing with Sabena, the Belgian airline, the possibility of a joint no-reservations shuttle style air service between London and Brussels.

New Gatwick passenger terminal given go-ahead

BY LYNTON MCLEAN
THE GOVERNMENT gave the go-ahead yesterday for the British Airports Authority to build a second passenger terminal at Gatwick Airport, Sussex, at a cost of £250m by 1988.

Cigarette risk list grows

BY DAVID FISHLICK, SCIENCE EDITOR
CARBON MONOXIDE is to be included in the next "league table of poisons present in cigarette smoke."

INFLATION
We reduced our air parcel prices in July 1981, and we're still keeping them firmly on the ground.
It was way back in July 1981 that we cut our prices for air parcels. As a result you gave us 17% more parcels to deliver. Now we're intending to continue holding these prices down until at least April 1983.

GET YOUR HANDS ON AN IBM PERSONAL COMPUTER NOW
A lot of other Executives are!
WHY? WELL, THEIR REASONS VARY:
- the best business tool since copiers and telephones
- the ability to grow the system along with their business needs

UK NEWS

Broad reply to Megaw report expected soon from Treasury

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT is shortly to make its long-awaited response to the findings of the inquiry chaired by Sir John Megaw into a new system of pay-determination for 530,000 white-collar civil servants.

Youth scheme 'lacks sponsors'

BY OUR LABOUR CORRESPONDENT

THE GOVERNMENT'S new Youth Training Scheme could break down because of a lack of employers sponsoring places on the scheme, say Megaw and the Manpower Services Commission, which administers the scheme.

Electricians to step up action at BBC

THE BBC branch of the Electricians' Union (EETU) is today expected to step up its disruptive action in the long-standing demarcation dispute at the corporation, reports David Goodhart.

Engineers' right-wing majority challenged

BY JOHN LLOYD, LABOUR EDITOR

THE AMALGAMATED Union of Engineering Workers' dominant engineering section faces a challenge to its policy-making national committee which could upset the committee's right-wing majority.

University rise

BY OUR LABOUR STAFF

A PAY RISE of 4.25 per cent for 20,000 non-teaching university staff has been awarded by the Central Arbitration Committee.

Power workers set high pay target

BY BRIAN GROOM, LABOUR STAFF

Leaders of the biggest manual union in the electricity supply industry decided yesterday on the outlines of a pay claim, underlining the extent to which the Government's anti-inflation strategy will be challenged.

Tory unionists press for reforms

BY OUR LABOUR CORRESPONDENT

THE GOVERNMENT is being pressed by the leader of the influential Conservative Trade Unionists group to make unions follow any legislation arising from its consultative Green Paper on internal union democracy.

Employers urge guideline within EEC

BY BRIAN GROOM, LABOUR STAFF

THE Engineering Employers Federation is floating the notion of introducing a harmonised framework of trade union obligations within the EEC.

Union action at bank suspended

BY OUR LABOUR STAFF

THE BANKING, Insurance and Finance Union has suspended its industrial action at Standard Chartered Bank for two weeks, and has proposed talks to end the five-week dispute over arbitration procedures.

Uneasy peace at BL plant

AN UNEASY peace was reached yesterday in the eight-day-old "swearing" dispute at BL's Cowley assembly plant, Oxford, allowing production of Rover and Ambassador cars to resume.

Advertisement for DAG HAMMARSKJOLD TOWER, featuring a large image of the building and text: 'Best great view in Manhattan? DAG HAMMARSKJOLD TOWER. 1 block from the United Nations. 240 East 47th Street, New York. Gracious living and a dramatic view in New York.'

U.K. enquiries to: Edwards, Bigwood & Bewlay, Parkside House, 51/53 Brick Street, London W1Y 7DU. Tel: 01-499 9452. Telex: 8953629G.

Have: ESTATE OFFICES Knightsbridge, London SW1X 7XL. Tel: 01-589 1490. Telex: 24319G.

European enquiries to: New York 1 Development Europe, Langstraat 1, 6690 AA Gendt, The Netherlands. Tel: 08812-1889. Telex: 48108NL.

U.S. enquiries to: Douglas-Elliman-Gibbons & Ives, Inc., Selling and Managing Agent, 240 East 47th Street, New York, NY 10017. Tel: (212) 759-8844. Telex: 237867NYK.

TECHNOLOGY

EDITED BY ALAN CANE

COMMUNICATIONS OVER MAINS WIRING IS BEGINNING TO COME OF AGE

Giants join the powerline message contenders

BY GEOFFREY CHARLISH

THE FACT that two major UK electronics companies, GEC and Thorn-EMI, have launched systems able to send information over mains electricity wiring must surely be a sign that the technique, previously a novelty, is coming of age.

Simple two or three channel systems—first from Japan for example—have been on the market for five years or so. In March Home Automation of Huddersfield (09924 60355) launched Ripul, a system that can address 16 locations in a building from any convenient place using a handheld infra-red transmitter of the kind used to control television sets.

The controller is simply pointed at a special sending unit plugged into a ring main socket, allowing switching or dimming actions anywhere in the house. In a commercial building, energy saving programs can be applied via a suitable program timer.

A similar system has been developed by MK Electric in conjunction with Patscentre, the technology consulting group. Called Response, it allows up to 32 powered devices, plugged into special sockets, to be individually controlled from a keyboard/display unit.

This week, GEC Measurements of Stone, Staffordshire (0785 812111) is announcing a system which draws on the

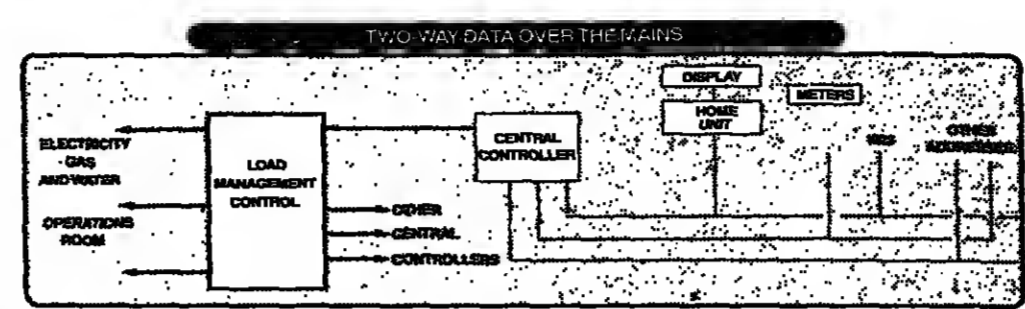
company's considerable experience in supplying electronic equipment for use in hostile electrical environments.

Called Mainslink, it is specifically aimed at industrial and commercial consumers and provides 16 channels for on-off switching. The transmitter, operated via a 16-switch console, is connected via single or three phase wiring to an unlimited number of receivers, each of which is set by a switch to respond to one or other of the 16 channels. Alternatively, the transmitter can be activated by a timer, or perhaps a maximum demand controller.

The "on-off" condition of the inputs to the transmitter is continuously scanned and the various controlled devices get corresponding instructions every three seconds.

A fail safe mode is built in: if no instructions are received by a remote unit for 30 seconds or more, the receiver will set itself to whichever state has been pre-selected by the user for such circumstances. In this way, central system failure can be prevented, for example, from removing power from crucial heating devices in a factory.

Mainslink also offers a monitoring unit which can be connected at a convenient point on the wiring. It is a receiver in which the relay outputs have



Thorne-EMI's Malvern system allows meter readings to be sent over the mains from a consumer to a utility's data collection centre while load control signals can be individually addressed to premises in the reverse direction.

Some more details have also recently come to hand of a system called Mainsborne, which has been known to be under development in Thorne-EMI for some time.

Mainsborne is a somewhat more ambitious system than others: its purpose is to give two way data communication between the suppliers of electricity, gas and water and their customers. The two main objectives are to read the consumer meters remotely and also to exercise some central control over consumption—an unknown proposition in this country at the moment, but used elsewhere to reduce demand during maximum demand periods.

Designed by Thorne-EMI Technology in Ashford, Kent (0233 36845), the system is entirely digital and uses pulse repetition rates between 50 and 150 kHz.

Specially designed consumer meters are needed which produce pulses in proportion to the units used. The pulses are stored and when the meter is interrogated from a central controller, they are "read out" into the mains line.

To avoid starting big power station generators to meet a marginally increased load, electricity authorities would be able to selectively turn off high wattage devices like storage heaters and immersion heaters within premises, leaving the supply otherwise intact. In compensation, the consumer would probably be offered tariff advantages.

On a display, the consumer would be provided with meter reading data, tariff billing and budgeting information. In addition, he would be able to conduct his own load management operations.

The central controller can communicate via the mains with up to 1,024 addresses using individual, group or master codes. It also conveys data to and receives data from a load management control location over a phone line. The central controller polls the

Formflo automates cold rolling

THREE factors receiving close attention in investment programmes are material saving, machine productivity and flexibility. Cold roll forming techniques developed in the past decade can fulfil these requirements for similar components, and now Formflo, Cheltenham company, has perfected an automatic process for the internal forming of outer bearing rings.

The OR108 machine can produce these rings of 90-90 mm diameter and 10-35 mm wide at the rate of about 220 an hour and with some 20 per cent material saving compared with a more normal 50 per cent. An advantage is that the outside dust shield groove is formed without the need for grinding.

The machine represents a fundamental re-thinking of the whole concept of the internal forming of outer bearing rings, and a break with the earlier cantilever technique. At the heart of the OR108 is a floating centre frame supported hydraulically and incorporating two load and unload stations and the transfer shuttle which supports the die housing.

It is the only machine of its type using only two rolls in the process and a floor-to-floor time of 14 seconds is claimed, against a more conventional 24 seconds.

Formflo is part of Metal Box Engineering and is at Lansdown Industrial Estate, Gloucester Road, Cheltenham (0242 515555).

MOBILE RADIO COMMUNICATIONS Computing for the travellers

BY LOUISE KEHOE IN SAN MATEO

THE SALES MANAGER walks into his hotel room and opens his briefcase. Inside is a tiny computer, the size of a paperback book, and a collection of miniature computer peripherals—a couple of black boxes, a little printer and a micro-cassette recorder.

He is ready to communicate with colleagues and customers around the world. He wants to know what happened to his company's share price. He needs that marketing report promised for today and must send a memo to his boss about a new potential customer.

Orders must be filed and an urgent message sent to the company's Tokyo office.

First, he unplugs the hotel room telephone and replaces it with a connection to a Modem (a box that links the computer to the telephone line). Next he removes the hotel TV and another cable linked to a "TV adaptor" (another black box).

With the flick of a switch, his "ready for work" computer is ready to go. Unfortunately, there are still a few hitches.

The scene described above is realistic, but so far only in North America. There are personal computers available in the U.S. which allow for simple, inexpensive global data communications; and they will, the manufacturers promise, soon be available in Europe.

Because communications protocols vary from country to country, an inexpensive (about \$500) portable computer designed to be plugged into a telephone in the U.S. will not necessarily work in Europe, or Asia.

In addition to his portable computer the global traveller must carry an acoustic coupler—a device with two cups that hold the telephone handset. This replaces the standard Modem, and is claimed to solve problems of incompatibility. It does not have the automatic dial-up features of a Modem, however.

Another difficulty is that most portable computers are so new that they do not come with ready-made software programs which allow the user to "log on" simply to data bases, or to compose a message "off-line" and then transmit it. "Logging on" to data bases such as the Source or Dow Jones is also in practice a process that is better handled by a simple ready-made program.

These difficulties can be overcome, and as sales of portable computers increase, independent software vendors are expected to produce programs that make them easier to use.

There are, however, a few portable computers available that come complete with communications software. One is the recently introduced Grid Compass computer, a briefcase-style unit designed for executives.

The Grid Compass comes with a built-in Modem that allows it to communicate with other computers through public phone lines or dedicated lines. Priced in the U.S. at \$8,000, it is not cheap, but it offers features so far unavailable on other portable computers.

Grid Systems Corporation provides Compass users with their own communications service. Grid owns and operates a specially-programmed central computer, called Grid Central, which services the individual Compass computers.

"Grid Central is a central software distribution centre, data storage facility and message system for Compass computer users," explains Mr Glenn T. Edens, Grid's vice-president of development.

Compass computer users can access Grid Central over standard telephone lines (within North America) to send and receive electronic messages and data, store information, or store and retrieve new software programs.

"Telesoftware" as it has been called, enables ordinary computer users to obtain new applications programs directly over the phone line—an increasingly important facility for users who use the portable computer not only as a terminal but also to perform data manipulation or wordprocessing.

A manager can access his computer for data, work the information, plug his Compass and carry it to a conference to discuss findings with colleagues—or take work home—with data stored in the system's non-volatile bubble memory.

Then the manager can plug the system back in and feed those results into the corporate database over standard telephone lines.

An inexpensive hand-held computer designed for data communications is available for use in North America from a California start-up company called Ixo. The Ixo "Telecomputer" is intended for the serial and portable computer man who views the computer as an adaptor (another black box).

See president Mr Jeffrey A. Rochis sees six key applications for the Telecomputer—field sales, electronic mail and banking, public data base access, airline reservations and remote personal computing.

The Telecomputer is priced at around \$500 in single unit sales, but Ixo is aiming it primarily at corporate purchasers who are expected to buy in quantity, and it claims that its product is the first to offer remote communication with computers by means of prompts and responses in plain English.

"The average businessman is as naive about operating a computer terminal as the average consumer," the company says. "He must therefore communicate with a computer through a costly intermediary terminal operator—specially trained in accessing and operating computers, because until now no one has provided a direct and cost-effective personal-to-computer communications solution."

"What Ixo is bringing to business computing is the data-processing equivalent of the telephone."

Ease of use is made possible through single-button access to any host computer, and the potential to communicate with the computer in plain English. Like Grid, Ixo operates a central computer through which users' connections with other computers can be made.

As with other types of personal computers, the portables are expected to fall in price as the market expands. Future Computing, Inc., a market research group in Richardson, Texas, predicts that the market for hand-held computers will expand at an annual rate of 78 per cent to exceed 2.5m units by the end of 1985.

A sure sign that the market is taking off comes from the product plans of Hewlett-Packard, IBM and Texas Instruments. HP introduced its HP 75—a unit initially aimed at technical professionals last month, and both Texas Instruments and IBM are expected to announce portable computers before the end of the year.

The HP 75 hand-held computer has a price tag of \$900. The company claims that it overcomes one of the common drawbacks of hand-held computers by providing a keyboard big enough for touch typing. It can also be plugged into larger HP computers for desk-top use.

Among the extras to be offered with the HP 75 is an acoustic coupler that connects it to a telephone line. "User-defined keys" on the unit could be programmed to perform log-on procedures, the company says.

Aiming at a different segment of the mobile data communications market is MSI Data Corporation, of Costa Mesa, California, which has announced a programmable hand-held data entry computer, the MSI 85. It can be used to collect data at a remote source and transmit it over ordinary telephone lines to a host computer for processing.

How Pilkington took the wood out of woodwind

Amazing stuff, glass fibre. For almost 40 years, Pilkington—one of the world's most experienced glass manufacturers—has been devising new uses for this versatile, strong material.

We are accustomed to its use for reinforcing cement, car engine components, skis, and even in the building of full-scale warships.

But—woodwind? Well, it's simply that a Pilkington glass fibre has been able to help Boosey & Hawkes (who are to musical instruments what Pilkington is to glass) come up with an advanced glass/nylon composite as an alternative to the hard-to-work African blackwood used in clarinets.

The result? An instrument with improved dimensional stability and a tone that has won the approval of professional musicians; a sensibly-priced clarinet that's going to bring enjoyment to thousands of young players (perhaps a trifle less to their parents) all over the world.

All over the world, in fact, is where you'll find Pilkington products and expertise these days. With our widespread overseas base and an aggressive export drive, over two-thirds of the Group's 1982 sales were made outside the United Kingdom.

Which, in these economically turbulent times, should be music to your ears.



PILKINGTON



Enterprise at work. Worldwide

Handwritten signature or mark at the bottom of the page.

UK NEWS

Financing limit falls below NCB target

By Richard Johns
MODERATE AND guarded satisfaction was expressed yesterday by the National Coal Board over the external financing limits it is being allowed for 1983-84, up 17.4 per cent to £1.13bn, compared with £962m for the current financial year.

The steep rise, far in excess of a rate of inflation assumed by the Treasury to be 6.5 per cent, is largely to take account of mounting operating losses as well as the board's investment requirements.

Interim results for the April-September period released by the two least profitable of the NCB's 12 areas, the North East and South Wales, have indicated that losses from deep mining could be over 50 per cent above the £220m in 1981-82.

Lip service budget only whets the appetite

BY MAX WILKINSON

A LARGE number of committee-member-hours have been spent in trying to persuade the Treasury to publish a "green budget" each Autumn containing a full set of tax and spending proposals for debate by MPs.

Most leading city economists, for example, reacted yesterday with measured disbelief to the statement's forecast that only about £1bn will be available next March for tax reductions.

They all assume that Sir Geoffrey Howe, the Chancellor, has concealed a rabbit in his trouser pocket to produce for an admiring audience on Budget day.

Reinsurers face close scrutiny

BY JOHN MOORE, CITY CORRESPONDENT

THE BRITISH-BASED reinsurance community and Lloyd's of London are facing an unprecedented degree of scrutiny by the regulatory authorities in the wake of the scandals at Alexander Howden Group and Minet Holdings, two of the world's largest insurance brokers.

This week, Dr Gerard Vaughan, the Minister for Consumer Affairs, told Parliament that he intends to introduce new regulations next month which will enable the authorities to monitor the activities of the wayward reinsurance community in more detail.

The world's reinsurance market has enjoyed virtually unparalleled freedom in international financial markets. Reinsurance, the business of insuring insurers, is an important adjunct to world insurance markets.

When an insurance company arranges a reinsurance contract with a reinsurance company it pays over part of its premiums which it earns from its own business.

election year and seriously disappointed everybody's expectations about his capacity to "be generous".

For this reason, the Treasury is almost bound to produce a highly cautious Autumn statement in which the figures are not a "central estimate," as they ought rationally to be, but are significantly skewed towards pessimism.

That is not a criticism of the Treasury: it is an inevitable consequence of the economic and political poker game which Chancellors are obliged to play, particularly near elections.

The question then is: What is the margin available within the limits of respectable forecasting? Or more plainly: What rabbits can the Treasury reasonably keep in its pocket?

Probably the main areas of doubt are in the forecasts for oil revenues which were released with other revenue projections for the first time in an autumn statement.

Howe 'too cautious' say brokers

BY ROBIN PAULEY

CITY ANALYSTS and economists were unanimous yesterday that Sir Geoffrey Howe was maintaining his fiscal squeeze and being exceptionally cautious about the spring Budget giveaway, which they say is likely to be at least £2bn rather than the £1bn mentioned in his Monday statement.

They used words such as miserly, frugal, parsimonious, and overly cautious in their reviews of the statement and all agreed that the £1bn forecast for the spring giveaway is deliberately low as an attempt to lower expectations.

Dr Paul Neild of Phillips and Drew, noting that the Government's fiscal squeeze continues, said the package boosts economic activity by no more than 1 per cent and depresses inflation by only 1 per cent.

He estimated the scope for fiscal readjustment at £2bn in the coming year even then agrees with the very gloomy revised Treasury forecast of only about 1.5 per cent growth in real GDP next year.

Government sets £8m cash limit for BA

By Lynton McLain

THE GOVERNMENT has set British Airways an almost negligible external financing limit of £8m for 1983-84, but one which is higher than the EFL in the current financial year.

The external financing limit of minus £8m for the current financial year involves a contribution by the state-owned airline to the Executive and compares with the total EFL for the last financial year (1981-82) of £154m.

This larger figure included £53m to cover the costs of a scheme involving the voluntary redundancy of over 5,000 and reflected the latter stages of BA's aircraft re-equipment programmes.

The first Boeing 737 for British Airways will be accepted on January 29 and is expected to arrive at Heathrow Airport on February 3. Other deliveries of the 737, will be made over the next three years.

Financier for this programme has mostly been arranged. Money for the Boeing 737 accounts for a large part of all BA capital borrowings totalling £1,011m at the end of the last financial year and which caused the airline to pay interest charges of £11m in 1981-82.

Capital debt is expected to continue around the current level for the "next five years to 10 years," BA said yesterday. The airline does not intend to buy any other new aircraft.

The programme for the purchase of 23 Boeing 737, short-range aircraft has been completed. BA has released cash by leasing two of its new-delivered 737 aircraft to Air Europe.

The overall effect of the financing for the two re-equipment programmes is the need for only a very modest limit on external financing in the next financial year (1983-84). Is the five years to 1981-82, BA self-financed 34 per cent, its capital requirements internally.

Doing more. The Digital difference. We didn't set out to earn a reputation for being different. Our aim 25 years ago was simply to build and support computers that were both practical and reliable. But one thing led to another and today you probably know us as one of the biggest computer companies in the world. More compatibility. Means making more computers that work easily together. More choice. Means making more computer systems for different professions. More innovation. Means setting new standards with our personal computers. digital

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

'Have you discovered what they do in that department anyway?'

Michael Dixon on the world of office politics

'OFFICE politics' are evidently dirty words to most managers. They hardly ever use the phrase in public except to communicate one of three main varieties of distaste.



Two of these are largely the preserve of middle management. Which variety is being expressed at any one time will depend on whether the speaker is losing or winning in the internal political war.

on, in either accurate or distorted versions, as circumstance and conscience dictate. The trouble is that such control is less and less feasible given the onset of advanced technology which requires incoming data to be diffused through organisations more widely than ever before.

status quo, and concentrate on their unimaginative aspects, such as the prospect of financial benefits to all. The third is to bring any identifiable opposition into the open. If it is frankly and visibly hostile its air is vented at a meeting of all concerned, its strength can often be dissipated.

One is political access attained by cultivating an underground of friendships through tit-for-tattling with employees in other sections, no matter how lowly their rank. An undercover agent is even a minor post in a neutral department might well swing its support crucially in case of need.

When the appropriate power-bases are established, they can be exploited in 10 main ways. One is by developing formal links with whichever other departments are germane to one's scheme.

From that follows naturally the next dodge of spearheading one's own proposals with measures ostensibly intended to lessen the difficulty of others, especially if these are trivial. To paraphrase the Rugby maxim: Get your reciprocity in first.

Admiration Power can also be attracted to mediocrity, or the possession of skills readily transferable to another post. But beware of communicating it too obtrusively lest the admiration of seniors should turn to anxiety about their own positions.

But if after all the effort of presenting a favourite scheme the manager meets with strong competition for leadership of its further development, Dr Schein thinks it is often best just to withdraw and always so if the outcome is at risk. Of all the ways of preserving a power-base, few are better than leaving others to fight for the right to catch a tartar.

BOARDROOM BALLADS

THE CHINA SYNDROME

Business leaders in the West, Occasionally find it best To keep their cards close to their chests, To guard their future interests.

Directors, who can scarce recall, Occasionally when they walked at all, Are on the mandatory crest, Up and down the China wall.

Right now, on Jumbo-jet and liner, They're cramming every bar and diner, From London, Bonn and Carolina, On the pilgrimage to China.

This time, let's hope they've got it right, With debts of locusts on Peking, And toasting, with embarrassed grin, Their hosts in Pidgin Mandarin.

Next week: Two way flow

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Fund-raising and tax

I am a member of a small trade association whose income is derived from membership subscriptions and the sale of trade publications. Total outgoings are very close to total income, usually there is a small surplus, but at present there is a deficit carried forward.

deceased, he represents less than 15 per cent of the issued capital of the company. The present directors claim that the ex-director's estate is indebted to the company for the value of the car and that in accordance with Clause 7 Table "A" 1929, which is incorporated in the articles of association, the company has a lien on these shares.

Lien on shares

An ex-director of a private company who retired some years ago was permitted to retain the use of a company car. There was no question of the car being a gift to him. This ex-director died in 1980, but some time before that he disposed of the car, and did not account to the company for the proceeds realised.

It has been drawn to our attention that the Estate Agents Act 1979 paragraph 21 (1) states: "A person who is engaged in estate agency work and has a personal interest in any land shall not enter into negotiations with any person with respect to the acquisition or disposal by that person of any interest in that land until the estate agent has disclosed to that person the nature and extent of his personal interest in it."

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Advertisement for Air Lanka featuring a large eye graphic and the text: 'Enjoy a taste of Paradise en route to Colombo.'

Fly with us in superb Tristar comfort to our Paradise Isle of Sri Lanka. Our services depart London for Colombo every Wed, Fri and Sun.

Air Lanka, London (Head Office) 1 Little Argyll St, W1, Tel: 439 0291. Birmingham 236 6211, Bristol 290416, Edinburgh 226 7392, Glasgow 248 4121, Leeds 434466, Liverpool 236 6135, Manchester 832 8911.

Advertisement for Dialcard, a fleet vehicle fuel card that pays for repairs and servicing. Includes an image of the card and contact information for Dialcard Ltd.

Advertisement for S.T. Dupont for business gifts, featuring a fountain pen and the text: 'Because only gifts of international repute should be offered by international companies.'

Advertisement for hotel owners/investors, offering U.S. based international hotel chain with world-wide reservation and marketing system.

Advertisement for a computer in a briefcase, featuring a Hewlett-Packard personal computer and the text: 'Won't your friends be surprised to find out that you're carrying a computer in your briefcase?'

Deacon The Contractor to Industry TUNBRIDGE WELLS (0892) 39211

Skelmersdale For full details on land, building and grants available, phone: Skelmersdale (0695) 32123.

French state groups 'to double deficits'

By David Housego in Paris

FRANCE'S public sector corporations providing monopoly or quasi-monopoly services are expected to more than double their deficits this year to a total in excess of FF1,500 (\$2,480m).

Electricité de France (an expected deficit of FF1,500), Gaz de France (FF1,450), the Société Nationale des Chemins de Fer, the national rail network, (FF1,400) and the Régie Autonome des Transports Parisiens (RATP), the Paris public transport system, (FF1,100) have all been allowed smaller price increases than they sought.

The deficits have obviously added to the public sector's financing requirements.

Belgium links pledge to unions with wage curbs

By Larry Klingner in Brussels

THE BELGIAN Government yesterday told the country's trade unions that it would continue to curb wage rises in 1983 and 1984 but would guarantee that the unions would retain their full voice in the implementation of planned employment programmes aimed at creating 80,000 jobs.

France lifts block on sale of cut-price butter by EEC

By Our Brussels Staff

THE European Community's planned "Christmas sale" of 120,000 tonnes of cut-price butter to reduce its costly and growing daily surpluses was given the go-ahead yesterday after France removed its block on the plan.

Mr Martens was seeking at a press conference last night to calm union fears which were a big factor in the collapse last week of the tripartite talks by Government, industry and the unions aimed at reaching a "social consensus."

Airlines divided on action against discounting

By Michael Dome in Geneva

EFFORTS BY the world's airlines to agree on tougher action to fight discounting - the sale of air tickets at less than officially approved rates - ran into difficulties at the annual meeting of the 120-member International Air Transport Association (IATA) in Geneva yesterday.

Airlines divided on action against discounting

By Michael Dome in Geneva

EFFORTS BY the world's airlines to agree on tougher action to fight discounting - the sale of air tickets at less than officially approved rates - ran into difficulties at the annual meeting of the 120-member International Air Transport Association (IATA) in Geneva yesterday.

Commercial Union CU steps on the brakes

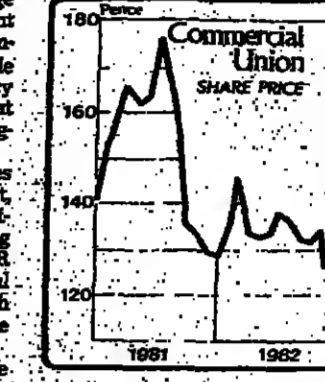
By Michael Dome in Geneva

CU has taken ample revenge on the Government for its recent exclusion from the System X contract. Last month's offer for sale has so scrambled the preliminary October money supply figures that comparisons are almost meaningless.

THE LEX COLUMN CU steps on the brakes

By Michael Dome in Geneva

CU has taken ample revenge on the Government for its recent exclusion from the System X contract. Last month's offer for sale has so scrambled the preliminary October money supply figures that comparisons are almost meaningless.



Commercial Union SHARE PRICE

If cash flow is poor, CU may well argue that it can see ahead to better times in 1984 when the U.S. may be improving and the UK reorganisation will take a chunk out of fixed costs.

the continuing impact of the group's cost cutting over the last two years, which has reduced staff by about 3,000 - 500 in the last six months.

The overall picture for UK beer volumes is looking more rosy than it was six months ago, while the elimination of old plant has left Whitebread with little spare capacity except at the Mager Lager facility, where throughput seems to be rising quite strongly.

Smiths Industries Smiths Industries has maintained its unbroken profits growth in the year to July by the skin of its teeth, with a pre-tax gain of £11,000 to £28.5m.

De La Rue After giving shareholders a nasty jolt with provisions of £3m last year, De La Rue has unexpectedly reversed the process for the half year to September by releasing £2.3m of what it had set aside.

Whitbread Despite a further 3 per cent fall in beer volumes, Whitbread has once again managed to push up profits by 10 per cent to £2.7m in the half to August.

The tough approach will not start to bite until next year. Even then, however, U.S. cash flow will be under pressure if payments on claims arising from the earlier dash for growth outstrip the more modest rise in premium income.

With the shares standing on a yield of 12.2 per cent at last night's price of 120p, the real question is whether CU will maintain its dividend. The rise in bond values has pushed back net worth to around £1bn and the company has signalled strongly that this year's final will be maintained.

Whitbread Despite a further 3 per cent fall in beer volumes, Whitbread has once again managed to push up profits by 10 per cent to £2.7m in the half to August.

The tough approach will not start to bite until next year. Even then, however, U.S. cash flow will be under pressure if payments on claims arising from the earlier dash for growth outstrip the more modest rise in premium income.

With the shares standing on a yield of 12.2 per cent at last night's price of 120p, the real question is whether CU will maintain its dividend. The rise in bond values has pushed back net worth to around £1bn and the company has signalled strongly that this year's final will be maintained.

Whitbread Despite a further 3 per cent fall in beer volumes, Whitbread has once again managed to push up profits by 10 per cent to £2.7m in the half to August.

The tough approach will not start to bite until next year. Even then, however, U.S. cash flow will be under pressure if payments on claims arising from the earlier dash for growth outstrip the more modest rise in premium income.

Kevin Done in Frankfurt examines the consequences of a plunge in commercial vehicle orders German truck makers engage low gear

DWINDLING orders from overseas and a domestic economy that is dropping deeper into recession are forcing leading West German commercial vehicle manufacturers by 700 - chiefly through natural wastage - to take drastic measures to cut output.

MAN (Maschinenfabrik Augsburg-Nürnberg), the country's second largest truck and bus manufacturer, is cutting its 15,000-strong commercial vehicle workforce by 700 - chiefly through natural wastage - and is planning increased short-time working in the first half of 1983.

Magirus Deutz, the West German-based subsidiary of Iveco/Finat of Italy, was forced by mounting losses to give up manufacturing in the Federal Republic earlier this year.

WEST GERMAN COMMERCIAL VEHICLES table with columns for Production, Registrations, Exports, and % change for various truck models.

output has increased this year is for trucks of 18 tonnes and above - a rise of 6.45 per cent to 43,291 in the first nine months. Even here, however demand has begun to decline sharply.

At Magirus Deutz, the closure of its bus-making plant in Mainz - Daimler-Benz and MAN also run up heavy losses in this sector - will

As sales have fallen - a decline of 24.9 per cent in deliveries to dealers in the Federal Republic in the first nine months this year - jobs too have been cut. The Hannover workforce was reduced to 20,000 by the end of September from 22,110 at the end of 1980.

The movement of staff to other plants and the transfer of work to Hannover from elsewhere in the VW group has done little to alleviate the chief problem of sinking demand.

Such moves have had more success at Daimler-Benz, the biggest manufacturer of commercial vehicles in West Germany.

It has been hit hard by the slump in demand for light commercial vehicles and buses. Its production in the first nine months of 1982 was 21 per cent below last year's level and the company continues to make heavy losses in this sector.

At the same time, output of light commercial vehicles below 6 tonnes dropped by 14 per cent. Alone among its rivals, Daimler-Benz has managed to further increase exports of medium and heavy trucks to overseas markets, chiefly to the Middle East. This has allowed it to compensate for the weakness of West German and West European demand.

The group has so far avoided any short-time working because it has been able to switch work from its more successful operations. Its car plants, in particular, are still working at full capacity.

output has increased this year is for trucks of 18 tonnes and above - a rise of 6.45 per cent to 43,291 in the first nine months. Even here, however demand has begun to decline sharply.

At Magirus Deutz, the closure of its bus-making plant in Mainz - Daimler-Benz and MAN also run up heavy losses in this sector - will

At Magirus Deutz, the closure of its bus-making plant in Mainz - Daimler-Benz and MAN also run up heavy losses in this sector - will

World Weather

World Weather table with columns for location, temperature, wind speed, and other weather details for various cities.

UK warning to Danes in fish row

Fishermen's Association, argued that Britain's claim to the area known as the Shetlands Box is intended to discriminate against the Danes.

NEWS REVIEW BUSINESS Ferranti micro-electronics venture in Hong Kong

A joint venture micro-electronics company has been formed in Hong Kong by Ferranti and the Wheelock Mardec Group.

Ferranti's Wheelock Micro-electronics Limited will provide Ferranti ULA custom chips, together with circuit design, production and test facilities for the computer, telecommunications and electronics markets in the Far East.

Laser printing An industrial laser has been developed by Ferranti at Dundee under contract to Crossfield Electronics for use with the world's first commercial laser printer.

TELECOMMUNICATIONS Ferranti links for Mercury

Digital microwave radio relay and automatic switching equipment for use in the Mercury trunk radio link between London, Birmingham and Manchester is to be supplied by the Ferranti Communication Systems Group.

A ULA Designer-interactive design system will be linked to the master computer and CAD facility in Manchester.

Briefly... Ferranti Electro-optics Inc has been established in California to provide marketing and support services for military laser products in the USA.

COMPUTERS Royal Navy commissions ARCTURUS

A sophisticated Mine Counter Measures Vessel Operations Room Trainer, built by Ferranti Computer Systems, has been handed over to the Royal Navy.

The operations room in the Navy's new GRP 'Hunt' class minihunters, it reproduces with great realism and sophistication the data received by the minehunting sensors, navigation and communication equipment fitted on this class of ship.

The good news is FERRANTI Selling technology

Handwritten signature or mark at the bottom center of the page.

SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Wednesday November 10 1982

FEB
MANUFACTURERS & SUPPLIERS OF BUILDING & CHEMICAL PRODUCTS FOR THE CONSTRUCTION INDUSTRY.

KIVETON PARK STEEL
BRIGHT FREE MACHINING STEEL FOR FORGING, UPSETTING & EXTRUSION FROM KIVETON PARK

Harvester appoints new chief executive

By Paul Taylor in New York
INTERNATIONAL Harvester, the troubled U.S. farm machinery group, yesterday announced that Mr Donald Lennox will take over as chief executive from December 1.

Commercial Union underwriting loss soars to £180m

By JOHN MOORE in LONDON
UNDERWRITING losses at Commercial Union Assurance, one of Britain's largest insurance groups, soared to nearly £180m (\$209m) in the first nine months of its current financial year - almost double the £98m loss of a year earlier.

Canadian Pacific decline continues

By Our Financial Staff
THE SLUMP in earnings at Canadian Pacific, the rail and shipping group which has widespread interests in manufacturing and natural resources, gathered pace in the third quarter of this year.

War-torn Iraq seeks \$500m loan

BY ALAN FRIEDMAN in LONDON
London interbank offered rate (Libor) - a major institution said the UBAF proposal was listened to briefly. "We then showed these gentlemen the door," commented the banker.

Thomson edges ahead

By OUR FINANCIAL STAFF
THOMSON Newspapers, the Toronto-based North American newspaper group, reports a marginal improvement in third-quarter net income as a result of an increase in U.S. earnings.

Manville accused of 'bad faith'

By Our New York Staff
MANVILLE Corporation, the world's largest asbestos company, acted in "bad faith" when it filed for protection from its creditors under chapter 11 of the bankruptcy code, a committee representing asbestos-related health claimants and litigants told a U.S. court yesterday.

\$300m floating rate note for Malaysia

By OUR EUROMARKETS STAFF
MALAYSIA is raising \$300m through a floating rate note issue organised by the Bank of Tokyo. The 10-year notes carry an interest margin of 1/2 per cent over the six-month London interbank offered rate (Libor).

Samurai bond calendar may reach Y200bn

By OUR EUROMARKETS STAFF
A NEW ISSUE calendar - totalling around Y200bn of Samurai bonds is expected to be set tomorrow when underwriters meet in Tokyo to decide the public issues scheduled for the first quarter of next year.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for November 9.

Table with columns: U.S. DOLLARS, STRAIGHTS, Amount, Bid, Offer, Change, Yield. Lists various international bonds.

Table with columns: DEUTSCHE MARK, STRAIGHTS, Amount, Bid, Offer, Change, Yield. Lists various German bonds.

Manville accused of 'bad faith'

By Our New York Staff
MANVILLE Corporation, the world's largest asbestos company, acted in "bad faith" when it filed for protection from its creditors under chapter 11 of the bankruptcy code, a committee representing asbestos-related health claimants and litigants told a U.S. court yesterday.

Playboy losses rise sharply

By Our Financial Staff
PLAYBOY Enterprises, the entertainments and publishing group has plunged deeper into the red in the first quarter.

Carbide chief cautious

By Our Financial Staff
MR WARREN ANDERSON, chairman of Union Carbide, the U.S. chemicals, metals and consumer products group, said yesterday he could not foresee any pick-up in the company's profits until the second quarter of 1983 at least.

Midland International Financial Services B.V.
U.S. \$150,000,000
11 1/2 per cent. Guaranteed Bonds 1992
The following have agreed to subscribe or procure subscribers for the Bonds: Samuel Montagu & Co. Limited, Europaan Banking Company Limited, Morgan Guaranty Ltd, Morgan Stanley International, Swiss Bank Corporation International Limited, S.G. Warburg & Co. Ltd., Amro International Limited, Banca Commerciale Italiana, Bank of China, Bank of Tokyo International Limited, Banque Nationale de Paris, Creditanstalt-Bankverein, Goldman Sachs International Corp., IBJ International Limited, Kuwait Investment Company (S.A.K.), Merrill Lynch International & Co., Société Générale, Société Générale de Banque S.A., Yamaichi International (Europe) Limited.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

Sumitomo Metal trims spending

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

SUMITOMO METAL, one of Japan's top five steel manufacturers, has reduced its investment targets for the next four years in the face of deteriorating prospects for the industry. In a medium-term development programme drawn up at the end of 1981 Sumitomo sets a figure of ¥500bn (\$2.1bn) for the four years to March 1986. This has now been cut to ¥400bn to allow 3,000 workers, or 10 per cent of its labour force, to be cut over the period.

demand has collapsed during the second half of 1982 after strong growth in the previous two years. The company plans to invest ¥100bn in the current fiscal year, at least partly in the further expansion of its seamless pipe capacity. Investment reflects stagnant domestic demand and difficult conditions in nearly all export markets. Sumitomo estimates that production will remain at roughly its present level for the next four years. As recently as December last year Japan's Iron and Steel Federation was forecasting output of 15.1m tons in 1985.

Advance in first-half results for Fuji Heavy Industries

BY YOKO SHIBATA IN TOKYO

FUJI Heavy Industries, a leading Japanese manufacturer of mini cars and other engineering products, reported record earnings for the first six months to September, thanks to a boost in sales of mini cars in the domestic market and exchange gains resulting from the yen's fall.

State Bank of New South Wales U.S. \$50,000,000 NEGOTIABLE FLOATING RATE NON-LONDON CERTIFICATES OF DEPOSIT DUE NOVEMBER 1987

Notice of Mandatory Redemption ORIENT LEASING (CARIBBEAN) N.V. US\$20,000,000 8¼% Guaranteed Note Due 1983

Notice is hereby given pursuant to the provisions of the Trust Deed dated December 14, 1976 constituting the above Notes, that \$5,000,000 nominal of the Notes has been drawn for the annual redemption instalment due on December 15, 1982.

Table listing bondholders with columns for name, address, and amount of notes held. Includes names like '1 397 799 1176', '2 398 803 1181', etc.

Half-year unconsolidated pre-tax profits advanced by 27 per cent to ¥18.15bn (\$66m) and net profits were 18.1 per cent higher at ¥7.44bn. Sales rose by 9.8 per cent to ¥281.7bn. Profits per share were ¥24.72 against ¥21.01 and the interim dividend is held at ¥3.50 per share.

Sales fall at Mitsubishi Motors

By Our Financial Staff

MITSUBISHI MOTORS, the Japanese vehicle maker in which Chrysler of the U.S. has a 15 per cent stake, has reported a 3.1 per cent drop in net earnings for the six months ended September because of slower demand at home and abroad.

Price cutting hits Ricoh pre-tax profits

By Our Tokyo Staff

RICOH, a Japanese manufacturer of copiers and other business machines suffered an 11 per cent fall in pre-tax profits to ¥9.95bn (\$32m) in the six months ended September 30 because of a deterioration in earnings from plain paper copiers (PPCs) caused by intense competition and price-cutting.

Total vehicle sales in the six months were 514,500 units, a drop of 12.3 per cent. DAIBATSU MOTOR COMPANY, a leading mini car producer which is affiliated to the Toyota group, has reported consolidated pre-tax profits of ¥5.0bn (\$18.2m) for the year ended June 30, Kyoto reports.

Sappi reveals details of R150m rights issue

BY OUR JOHANNESBURG CORRESPONDENT

SAPPI, the largest producer of pulp and paper in South Africa, is to complete the financing of its R200m expansion programme with a R150m rights issue. The issue will be underwritten in its entirety by Sappi and 57 per cent of the shares will be held by the mining house, Gencor.

BARCLAYS UNIDOLLAR TRUST NOTICE IS HEREBY GIVEN that the seventh income distribution (including equalisation where applicable) for the period 1st October 1981 to 29th September 1982 totalling US\$5.83 cents GROSS per share.

On December 15, 1982, there will become due and payable on the Notes to be redeemed the principal amount thereof together with accrued interest to December 15, 1982. On and after the date interest on the Notes to be redeemed shall cease to accrue.

The Chase Manhattan Bank, N.A., 27, Boulevard Royal, Luxembourg.

The Chase Manhattan Bank (Switzerland), Genève-Centre 24, Switzerland.

Barclays Bank (Hong Kong) Nominees Ltd., 42, Queen's Road Central, HONG KONG.

November 11, 1982 The Chase Manhattan Bank, N.A., Principal Paying Agent.

Companies and Markets INTERNATIONAL COMPANIES and FINANCE

France spells out chemicals shake-up plan

BY DAVID WHITE IN PARIS

THE FRENCH Government has laid down its plans for splitting up the loss-making chemicals division of Pechiney Ugine Kuhlmann among other nationalised companies...

(\$1.4bn) a year, was already under discussion before the election, but plans for a takeover by Occidental Petroleum of the U.S. were nipped in the bud.

In particular, a financial arrangement has to be made with the state-controlled Elf-Aquitaine, whose chairman, M Albin Chalandon, has already expressed reservations about the cost of the extended role which the Government wants to give it in this troubled sector.

notably chlorine-based products, and covers 11 French factories and several French and overseas subsidiaries. The whole research unit is also due to go to Elf.

The other main element involves C&F-Chimie, the chemicals unit controlled through the French national coal board.

Munich Re faces harder times

BY JONATHAN CARR IN BONN

MUNICH REINSURANCE, the world's biggest reinsurance concern, resembles a castle built in an earthquake zone. Its latest results show a striking ability to defend the traditional dividend end strength reserves, even when under grave pressure.

But behind that positive overall result lies a deeply worrying trend. Senior company officials stress that it reflects disturbing and even dangerous developments on the world insurance market over which Munich Re, despite its size and prestige, has only limited influence.

Table with columns: RUECKVERSICHERUNG RESULTS, 81-82, 80-81, D-marks (m). Rows: Gross premium income, REINSURANCE, Life, Liability/accident, Marine and motor, Fire, Other classes, Total, Investment income, Net profit.

the past, problems associated with economic downturn in one country could be counter-balanced for the insurer by positive developments in another. Further, underwriting losses made in one year could often be made good through profits in the next.

Hapag-Lloyd sees heavier loss this year

By James Buchan in Bonn

HAPAG-LLOYD, the largest West German shipping company, faces serious losses this year because of the weakness of the market for sea and air freight.

The company said losses would be higher this year than last, when only special earnings from disposal of aircraft made possible an after-tax profit of DM 13m (\$5m).

Losses this year could be as high as DM 100m, over half the shareholders' funds of DM 180m, which would oblige the company to call an extraordinary general meeting of shareholders, as is required by German law.

The supervisory board is due to meet on November 25 to discuss a further "slimming down" in the problem divisions, such as the air and oil-tanker fleets and the freight-forwarding subsidiary.



Brooke Bond Group plc

US \$90,000,000 Multicurrency term facilities to finance development and working capital

provided and arranged by National Westminster Bank Group

Swede who will make robots in Japan

BY CHARLES SMITH, FAR EAST EDITOR, IN JAPAN

FEW OF the famous companies in Japan today have been in business for more than 60 years. That makes them younger than Gadelius KK, the Swedish trading company...

The Japanese Gadelius started by importing fire pumps (some of which did sterling duty in the Great Tokyo earthquake), diesel engines for ships, and special steels.

The company's post-war business started to flourish when the U.S. authorities decided to chart Japan's natural resources and Gadelius was given the contract to supply the drilling equipment.

Mr Jonas Goro Gadelius notes rather wistfully that in the 1890s the proportions were the other way about. The use of licensed sub-contractors, however, has enabled the company to continue dominating some markets (like that for the supply of air pre-heating equipment to electric power generating companies) which it originally entered as long ago as the 1820s.

Gadelius' founder, Mr Knut Gadelius, was a German educated Swedish businessman who noted the absence of Swedish goods in Singapore while on the way home from working on an Indonesian tobacco plantation in 1887 and decided to start a company in Singapore to import these goods.

Mr Knut Gadelius and his Swedish wife brought up five sons and two daughters in Tokyo. Each son was given a Japanese name, and Taro, the eldest, took over when Mr Knut Gadelius died in 1932.

Gadelius today has an annual turnover of about ¥40bn, of which roughly one-third consists of imported machinery (mainly from Sweden), while most of the rest is made up of Swedish products manufactured under licence in Japan by about 20 sub-contractors.

Dr Bernhard refused to comment on reports on the West German news agency, VWD, that in the past few months differences had emerged over the future of the Korf group.

Deputy chief executive of Korf Stahl resigns

BY STEWART FLEMING IN FRANKFURT

KORF STAHL, the West German engineering group with extensive interests in the U.S., said yesterday that Dr Wolfgang Bernhardt, its deputy chief executive, had resigned from the managing board after some 10 years during which he had been closely associated with the company's growth.

Dr Bernhard refused to comment on reports on the West German news agency, VWD, that in the past few months differences had emerged over the future of the Korf group.

The agency quoted both Herr Willy Korf, the founder and major shareholder of the group, and Herr Bernhard, describing the resignation as "a rational decision".

Herr Korf is one of West Germany's best known entrepreneurs. He has built up the steel interests in the face of heavy international competition.

In 1981 the company plunged into losses. On sales of DM 1.27bn it reported a loss of DM 34.1m (\$13.2m), mainly as a result of the difficulties in its steel sector.

It is expected further losses in 1982.

Sears sells Spanish unit

SEARS ROEBUCK, the diversified U.S. retailing company, has agreed to sell its subsidiary, Sears d'Espana, to Galerías Preciados, part of the Spanish financial group.

which will buy goods from Sears World Trade Inc. Galerías Preciados, part of the Spanish financial group, has 77 company operations including 24 department stores.

Sears d'Espana operates three department stores and 21 small hard line stores in Barcelona and Madrid.

The international operations accounted for only 3.5 per cent of sales and 0.5 per cent of net income last year.

The sale of Sears brand-name goods will be expanded through a 10-year exclusive contract for Galerías Preciados Stores.

Advertisement for Lloyds Bank services for expatriates. Includes a list of branch locations and contact information.

Registration form for Lloyds Bank services. Fields include Name, Address, and checkboxes for 'Lloyds Bank Services for expatriates' and 'Resident Abroad Magazine'.

Advertisement for THE PHILIPPINE INVESTMENT COMPANY S.A. Net Asset Value as of October 31 1982: U.S.\$6.00. Lists Luxembourg and Manila offices.

Advertisement for PAN HOLDING SOCIÉTÉ ANONYME LUXEMBOURG. As of October 31, 1982, the unconsolidated net asset value was US\$121,864,471.36.

New Issue November 10, 1982. This advertisement appears as a matter of record only.

Advertisement for EUROPEAN ECONOMIC COMMUNITY DM 200,000,000 8% Deutsche Mark Bonds of 1982/1994. Includes offering price, interest, and redemption details.

Large list of participating banks and financial institutions for the European Economic Community bond issue. Includes Deutsche Bank, Dresdner Bank, and many others.

Companies and Markets

INTL. COMPANIES & FINANCE



Mr Reg Donners, managing director, Mondi

Papermakers carve separate paths in South Africa

SAPPI, the South African papermaker yesterday announced details of a R150m (\$130m) rights issue. It is the largest share issue in South Africa for more than three years, but it tells only one half of the story of remarkable developments in the Republic's forest products industry.

That industry is dominated by two companies—Sappi and Mondi. Sappi is a public company with total assets of R545m, controlled by Gencor, the major (and Afrikaans) mining house. Mondi is also going to its shareholders for R150m—but it is an unlisted private company with Anglo American group shareholders.

Both companies need the cash to finance new projects which are the biggest private sector developments in South Africa today.

But there are fundamental differences in concept and planning and, not surprisingly, the rivalry between Sappi and Mondi—or Gencor and Anglo—has been edging close to mutual abuse. Sappi is making the running so far, moving faster and, in the eyes of its critics, more dangerously. Eventually, the result will be a transformation in South Africa's pulp and paper capacity and, in turn, in its export role.

Both companies are prepared to brave the recession and to build with an eye to an upturn in the mid-1980s: both claim as a result to be getting low and fixed-price tenders for the imported plant. Both believe that the domestic market is poised for a dramatic rise (consumption is presently about 30 kg per capita, compared with about 130 in, say, Australia and 270 in the U.S.). Both are aware of the potential export market in the Far East, where South African suppliers would have an advantage in transport costs: Japan.

The two companies are staking their future on the fact that timber grows about five times faster in South Africa than in Northern Hemisphere countries and that other costs

such as power, are also comparatively low. According to Sappi, for example, softwood logs at roadside cost are R10 per cubic metre in South Africa, compared with R17 in the U.S. and R24 in Sweden.

Yet the two projects are very different.

Sappi is well advanced with a R300m integrated pulp, newsprint and liner board mill at Ngodwana in the Elandsriver Valley in the cloudy (and tree-covered) hills of the Eastern Transvaal. Construction work started on the site (where there is an existing Sappi mill) in August 1981; the first structural steel went up last March; pro-



Mr Eugene van As, managing director of Sappi, and Mr Basil Landau, chairman, have put their faith in the expansion of the South African paper industry, like its rival, Mondi, braving recession

duction is planned to start up in May 1983 to reach full capacity in June 1984. Sappi, under Mr Eugene van As, the managing director, is demanding maximum speed ahead, which has led inevitably to grumbles of chaos from some of the subcontractors.

The fundamental point is that Sappi is focusing its future on a massive mill, deliberately sited in the middle of timber country—average distance of logs from mill is estimated at 80 km.

Down at Richards Bay, South Africa's giant new port in Northern Natal, the Mondi project is moving at a less frenetic pace. The site is big—400 hectares, which gives plenty of

room for expansion—and the infrastructure is still being laid down, with a completion date of October, 1984 for a R600m chemical pulp mill and liner board operation. An important part of the thinking is to double Mondi's exports, hence the harbour site: "Conceptually, we are hell bent on exports," says Mr Reg Donners, the managing director. But the timber will have to be brought in by rail and truck, not just from nearby KwaZulu and Natal, but also 400 km-plus from the Eastern Transvaal, with the new railway through Swaziland an important element.



Mr Chris Griffiths, chairman, Mondi

This is where the two companies differ outspokenly. Environmental factors loom large in the argument. Mondi managers point out they will have no trouble with effluent as it can be piped out 5 km into the Indian Ocean. Sappi replies that not a pint of effluent will escape into the trout rivers of Eastern Transvaal, because it will be pumped into 600 hectares of irrigated farmland near the mill. But as an almost accidental bonus, Mondi is going to benefit from South Africa's substantial and recently improved decentralisation incentives, whereas Sappi apparently will not.

Sappi's Ngodwana plant will raise company output from 600,000 tons per annum to



Mr Chris Griffiths, chairman, Mondi

880,000 tons of pulp, paper and tissue. Mondi with Richards Bay will eventually (though not till after 1984) produce 470,000 tons of pulp—and out of this 200,000 tons of liner board. The joint achievement will then be to replace South Africa's present imports of 150,000 tons of pulp a year and 13,000 tons of liner board, and to give the country, through the two companies, an export capacity by 1985 of 250,000 tons of pulp a year, 170,000 tons of liner board, and 70,000 tons of newsprint.

Both companies agree that world demand is poised for a strong rise in the late 1980s, but both are looking mainly at the Far East. It remains to be seen whether they are too optimistic. The financing of Mondi is straightforward in that it requires R150m of internal group funds from Amic, Anglo American and De Beers, plus R450m which has been put together from Nedbank, Standard Bank and Trust Bank. Although Mondi is a private company, it was recently revealed that 1981 turnover was R225m and profits R37m on capital employed of R289m.

Sappi is much more complicated—not surprisingly for a company presently valued at about R250m on the stock market which is going ahead with an R300m project. Export credits have provided about R160m; R20m has come from Eurocurrency loans; and about R470m from two consortia of South African banks in an ingenious package of loans, leasing and suspenseful sales, helped by very generous tax allowances.

Its rights issue is expected to centre around an issue of convertible preference shares. Gencor has made it known that it will be following its 57 per cent rights (to take up about R36m). There are no other significant single shareholders. Eugene van As is talking bravely. After all, when you look at the hediam of activity at Ngodwana today, you see that he and his chairman, Mr Basil Landau, must have their heads on the block.

J. D. F. Jones

All these securities having been sold, this announcement appears as a matter of record only.



Finance for Industry International B.V.
(Incorporated in The Netherlands with limited liability)

£30,000,000

12½ per cent. Guaranteed Notes 1988

unconditionally and irrevocably guaranteed by

Finance for Industry plc
(Incorporated in England under the Companies Acts 1948 to 1967)

S. G. Warburg & Co. Ltd.

- | | |
|-----------------------------------|-----------------------------------|
| Banque Paribas | Barclays Bank Group |
| County Bank Limited | IBJ International Limited |
| Lloyds Bank International Limited | Merrill Lynch International & Co. |
| Samuel Montagu & Co. Limited | Nomura International Limited |
| The Royal Bank of Scotland PLC | Salomon Brothers International |

Westdeutsche Landesbank Girozentrale

- | | | | |
|--|---|---|--|
| Algemene Bank Nederland N.V. | Amro International Limited | Arab Banking Corporation (ABC) Limited | Banca Commerciale Italiana |
| Banca Nazionale del Lavoro | Bank of America International Limited | Bank of Tokyo International Limited | Banque Bruxelles Lambert S.A. |
| Banque Française de Commerce Extérieur | Banque Indosuez | Baring Brothers & Co., Limited | Crédit Commercial de France |
| Berliner Handels- und Frankfurter Bank | Citicorp International Group | Commerzbank Aktiengesellschaft | Crédit Suisse First Boston Limited |
| Crédit Industriel et Commercial | Crédit Lyonnais | Crédit Suisse First Boston Limited | Créditanstalt-Bankverein |
| Daiva Europe Limited | DG BANK Deutsche Genossenschaftsbank | Dillon, Read Overseas Corporation | Dresdner Bank Aktiengesellschaft |
| European Banking Company Limited | Goldman Sachs International Corp. | Hambros Bank Limited | Hill Samuel & Co. Limited |
| The Hongkong Bank Group | Kidder, Peabody International Limited | Kleinwort, Benson Limited | Kredietbank N.V. |
| Kredietbank S.A. Luxembourg | Kuwait Foreign Trading Contracting & Investment Co., (S.A.K.) | Lazard Frères et Cie | |
| Lehman Brothers Kuhn Loeb International, Inc. | LTCB International Limited | Manufacturers Hanover | Morgan Grenfell & Co. Limited |
| Morgan Stanley International | Norddeutsche Landesbank Girozentrale | Orion Royal Bank Limited | Postipankki N. M. Rothschild & Sons Limited |
| J. Henry Schroder Waggy & Co. Limited | Scandinaviska Enskilda Banken | Smith Barney, Harris Upham & Co. Incorporated | |
| Société Générale | Société Générale de Banque S.A. | Svenska Handelsbanken | Swiss Bank Corporation International Limited |
| Union Bank of Switzerland (Securities) Limited | Vereins- und Westbank Aktiengesellschaft | Warburg Paribas Becker & Co. Bankers | |
| Williams & Glyn's Bank plc | Wood Gundy Limited | Yamaichi International (Europe) Limited | |

This announcement appears as a matter of record only.



Amsterdam-Rotterdam Bank N.V.
(Incorporated with limited liability in the Netherlands)

U.S. \$200,000,000

13 per cent. Notes Due 1989

- | | |
|--|--|
| Amro International Limited | Morgan Guaranty Ltd |
| Deutsche Bank Aktiengesellschaft | Merrill Lynch International & Co. |
| Orion Royal Bank Limited | Société Générale |
| Swiss Bank Corporation International Limited | Union Bank of Switzerland (Securities) Limited |
| S. G. Warburg & Co. Ltd. | |
| Banca Commerciale Italiana | Bank of Tokyo (Holland) N.V. |
| Baring Brothers & Co., Limited | CIBC Limited |
| Crédit Commercial de France | Daiwa Europe Limited |
| Kredietbank N.V. | Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) |
| Lloyds Bank International Limited | LTCB International Limited |
| Samuel Montagu & Co. Limited | The Nikko Securities Co., (Europe) Limited |
| Nomura International Limited | Pierson, Heldring & Pierson N.V. |
| Skandinaviska Enskilda Banken | Société Générale de Banque S.A. |
| Trade Development Bank (London Branch) | Yamaichi International (Europe) Limited |

29th October, 1982

A growing international presence

The international consortium which provides a full range of services including short, medium and long term credits, Eurocurrency deposits and foreign exchange dealings, underwriting and distribution of securities.

Associated Japanese Bank (International) Limited

29-30 Cornhill, London EC3V 3QA
Telephone: 01-623 5661 Telex: 883661



Merrill Lynch Overseas Capital N.V.
(Incorporated with limited liability in the Netherlands Antilles)
Guaranteed Floating Rate Notes due 1987

Unconditionally Guaranteed by
Merrill Lynch & Co., Inc.

In accordance with the terms and conditions of the above-mentioned Notes and Fiscal Agency Agreement dated as of April 15, 1981, between Merrill Lynch Overseas Capital N.V., Merrill Lynch & Co., Inc., and Citibank, N.A., notice is hereby given that the Rate of Interest has been fixed at 10% pa and that the interest payable on the relevant Interest Payment Date, February 10, 1983, against Coupon No. 7 in respect of US\$5,000 nominal of the Notes, will be US\$127.78.

November 10, 1982 London
By: Citibank, N.A. (CSI Dept) Agent Bank **CITIBANK**

THE NIPPON CREDIT BANK (CURACAO) FINANCE N.V.
US\$30,000,000
Guaranteed Floating Rate Notes due 1987



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by
THE NIPPON CREDIT BANK LTD.
(Kobushiki Kaisha Nippon Saiken Shinyo Ginko)

In accordance with the provisions of the Agent Bank Agreement between the Nippon Credit Bank (Curacao) Finance N.V. and Citibank, N.A., dated February 4, 1980, notice is hereby given that the Rate of Interest has been fixed at 10% pa and that the interest payable on the relevant Interest Payment Date, February 10, 1983, against Coupon No. 12, will be US\$129.38.

November 10, 1982 London
By: Citibank, N.A. (CSI Dept), Agent Bank **CITIBANK**

Handwritten signature or mark at the bottom of the page.

INTERNATIONAL COMPANIES and FINANCE

The Woolmark's struggle with the synthetics giant

By Anthony Moreton, Textiles Correspondent

THE INTERNATIONAL Wool Secretariat occupies a very select corner of London. It lies behind the Reform Club, watering hole of the Treasury mandarins, and across the road from the Foreign Secretary's official residence in Carlton Gardens.

From its front door, across those gardens, it looks onto the Athenaeum, the seat of clubs. The IWS is by no means out of place in this august company. It is a highly-respected world organisation with the job of creating a climate in which more wool will be demanded, boosting the incomes of the producers who are its sponsors.

Recently it has begun to face increasing pressure on its activities both from outside and within. The synthetic fibre producers have launched the most serious attack on the role of wool for the past 10 years and from inside, both Australian and New Zealand sheep farmers have begun to wonder how much more they can put up to support the IWS.

The question they are asking is whether the organisation could not adopt a more positive approach to promoting wool. The IWS follows such a low-profile approach that it is almost possible to hear the reverential silence along the corridors of Wool House. Sounds are muffled by furniture (woolen upholstery of course) sitting on pure-wool carpets. The executives wear wool clothes and even the lift has wool-upholstered panels.

Since the IWS was set up in 1937 it has been remarkably successful in persuading people around the world that wool is a very superior fibre, especially compared with man-made names such as acrylic, polyester or nylon.

RAW WOOL PRODUCTION

Table showing Raw Wool Production in Greasy-800 tonnes from 1976-77 to 1981-82. Columns include Average 1976-77, 1978-79, 1979-80, 1980-81, and 1981-82. Rows list various countries and regions like IWS sponsors (Australia, New Zealand, South Africa, Uruguay), Communist countries (China, Romania, Soviet Union), and Western world (Argentina, Pakistan, Turkey, U.S., UK).

Source: Commonwealth Secretariat

Ilkley, in Britain, to develop more technologically advanced products; Undertaking a bigger drive towards influencing the retailers which are becoming increasingly important in fabric decision-making. There are already signs of success. In the U.S., where annual consumption of wool had dropped to 80m kgs in 1975, demand has climbed back to 115m kgs.



Gerald Laxer: carefully planned strategy

He likes to be called, is getting up more money when their own incomes are under pressure. What he gets, apart from the new strategy, is representation abroad. The IWS has offices in 28 countries and operates in another 16. But, despite all the promotional activity, of the fibre market continues to drop. That fall looks like continuing. Changing life styles, which have seen the demise of men's overcoats, women's 'sensible' suits, the relegation of men's two- and over-piece suits virtually to the over 35s have hit wool badly.

WORLD SHEEP POPULATION

Table showing World Sheep Population in million for 1970-71 and 1980-81. Countries listed include Soviet Union, Australia, China, New Zealand, Turkey, India, Iran, UK, Argentina, and South Africa.

Total 925.0 1,005.0

none." It has also launched Mitrelle, a polyester fibre that looks like silk, and Terina, which simulates suede. From America Du Pont has joined the game with Antron Plus, a new carpet nylon.

The synthetics people are also thinking of launching their own symbol to take on the Woolmark. Synthetics are moving upmarket.

The strategy which Dr Laxer has evolved has to be seen in conjunction with a rolling management programme which he introduced in 1980.

The major management shake-up took place in 1979 when the operation was restructured. "I had to cut down top management considerably," he states, "to get more communication between top management and the sharp end of the business, which is in the branches where we create wool demand."

NOTICE OF REDEMPTION To the Holders of Compañía Anónima Nacional Teléfonos de Venezuela 8 1/4% Guaranteed Sinking Fund Debentures Due 1987. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 15, 1982...

REDEMPTION NOTICE GTE Finance N.V. (Incorporated with Limited Liability in the Netherlands Antilles) 16% Notes due September 15, 1988. NOTICE IS HEREBY GIVEN, pursuant to the Fiscal and Paying Agency Agreement dated as of September 15, 1981 under which the above described Notes (the 'Notes') were issued...

INVEST IN 50,000 BETTER TOMORROWS! 50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE. We need your donation to enable us to continue our work for the CARE AND WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Banco di Sicilia ANNOUNCES THE OPENING OF ITS FRANKFURT BRANCH AND OF ITS MUNICH REPRESENTATIVE OFFICE. 6000 Frankfurt / MI Bockenheimer Landstrasse 13-15 Telephone (0611) 726043-726844-726044-726834-726871 Telex 413603 SICIL D/Cables: SICILBANCO 8000 Munich 22 / Odeonsplatz 2 - Telephone (089) 283075 Telex 5-214060

Companies and Markets UK COMPANY NEWS

BIDS AND DEALS

Allied London rises to £1.95m

Taxable profits of Allied London Properties advanced from £1.66m to £1.95m for the year ended June 30, 1982 from turnover ahead at £17.13m, compared with £15.55m previously.

As part of its rationalisation of the Gough Cooper group, Allied London has disposed of Hawley Plant and Edwards & Co (Lonsdale), builders' merchants, on the basis of net asset values.

conditioned offices in a prime position adjacent to the Hounslow Central tube station, is now well under construction.

Major new shareholder comes to light at Ciro

BY RAY MAUGHAN

A MAJOR new shareholder has emerged at Ciro, the jewellery retail group spun-off onto the United Securities Market by Howard & Wyndham last month.

Mr Marques acquired his 8.49 per cent stake last Friday in four tranches. He purchased 100,000 shares at 83p each, a further 125,000 at 83 1/2p, 20,000 at 86p and finally, a like amount at 89p.

Mr Marques acquired his 8.49 per cent stake last Friday in four tranches. He purchased 100,000 shares at 83p each, a further 125,000 at 83 1/2p, 20,000 at 86p and finally, a like amount at 89p.

Star Computer listing

Star Computer Group, which came to the USM in June 1981, is applying for a full listing by way of an introduction.

The necessary number of shares. Star will be only the fourth USM company to have transferred to a full listing.

Staffordshire Potteries sees rise in demand

Although July and August were difficult months, as anticipated, there has been a small but encouraging improvement in UK demand since the beginning of September.

Kirby & West offer for Lovell

An offer valued at £667,522 has been made by Kirby and West, wholesale and retail dairy concern, ice cream maker, and farmer, for G. F. Lovell, chocolate and sugar confectionery maker.

The independent directors of Kirby & West, Mr A. Jones and Mr C. K. Shone, and their advisors Charterhouse Japhet, recommend that Lovell shareholders should "carefully consider" whether they wish to receive cash under the ordinary offer or keep their shares in Lovell thereby benefiting from greater management and financial resources.

Mr Marques acquired his 8.49 per cent stake last Friday in four tranches. He purchased 100,000 shares at 83p each, a further 125,000 at 83 1/2p, 20,000 at 86p and finally, a like amount at 89p.

AMC cancels SE listing

Amalgamated Metal Corporation has asked the Stock Exchange to cancel its listing from November 22.

because the shares now mostly belong to two large holders, the corporation says.

WETTERN BROTHERS

Marshall Hallifax has disposed of its holdings of 455,500 ordinary shares in Wettern Brothers, BMC Group has similarly notified of the acquisition, making its holding 455,528 ordinary shares, 27.11 per cent of the issued ordinary shares of Wettern.

LONDON TRADED OPTIONS

Table with columns: Option, Price, Closing, Offer, Vol., etc. Lists various options like BP, GU, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Nov., Last, etc. Lists European options like GOLD, etc.

M. J. H. Nightingale & Co. Limited

Table with columns: Dividend, Company, Price, etc. Lists various companies and their dividends.

WHITBREAD AND COMPANY PLC

Half Year Report

Results for the six months ended 28th August 1982

Whitbread and Company, PLC announce unaudited Profits for the six months to 28th August 1982 and an Interim Dividend of 1.65 pence per share (1981/82 = 1.5 pence per share when adjusted for the one for two scrip issue in December 1981).

Financial statement table for Whitbread and Company PLC showing Turnover, Profit, Taxation, etc.

NOTE: The interim results are unaudited. The accounts for the year 1981/82 set out above are abridged. Full accounts for that year incorporating an unqualified auditors' report have been delivered to the Registrar of Companies.

THE DE LA RUE COMPANY p.l.c.

The Board has no reason to change its view that because of events earlier this calendar year the inequality between the first and second halves will be considerably more pronounced than usual.

EXTRACTS FROM INTERIM STATEMENT

Table with columns: Sales, Security, Crossfield Electronics, etc. Shows financial data for De La Rue.

INTERIM STATEMENT for the half year ended 30th September 1982

Table with columns: Half Year, Full Year, etc. Shows financial data for De La Rue.

NOTE: The interim results are unaudited. The accounts for the year 1981/82 set out above are abridged. Full accounts for that year incorporating an unqualified auditors' report have been delivered to the Registrar of Companies.

Brewery, Chiswell Street, London EC1Y 4SD

Companies and Markets

UK COMPANY NEWS

Hartwells leaps to £1.7m as vehicle sales recover

A 63 PER CENT rise in taxable profits from £1.01m to £1.65m is reported by Hartwells Group for the half-year to August 31 1982. Sales of this Oxford-based vehicle distribution, sales and service, and heating services and bulk fuel oil distribution group moved ahead by 20 per cent to £90.87m compared with £75.86m.

BOARD MEETINGS

Table listing board meetings for various companies including Today, Tomorrow, and Future Dates.

The interim dividend is effectively raised from 1.19267p to 1.4p a share. Last year total equal to 3.836p was paid from pre-tax profits of £2.08m. Earnings per share for the six months are shown to be ahead at 4.5p (2.7p adjusted) after tax and at 9.3p (5.7p adjusted) before.

The oil company experienced a fall in gallonage due to mild weather in March and April and the fairly dry summer, but increased trading activity is expected in the winter heating season.

Hartwells considers this part of its business is still not producing satisfactory returns. It should be noted that overall trading margins are up by over half a percentage point, and return on capital employed is getting back to the levels enjoyed in the late 1970s.

comment

Hartwells Group's figures clearly owe much to a bumper August which generated about a third of first half profits, but it is the second half which will show the benefits of the abandonment of HP restrictions.

Spillers have been applied to an extent that extinguishes the extraordinary expenditure in the six months under review, say the directors. In the previous six months extraordinary debits totalled £250,000.

Scott and Robertson reduces losses

Reduced pre-tax losses have been shown by Scott and Robertson for the six months to August 27 1982, falling from £186,000 to £124,000. Sales of this jute and textile concern slipped from £9.47m to £8.5m.

There is again no interim dividend. In the last full year a final of 0.75p was paid after pre-tax losses of £108,516.

Spillers have been applied to an extent that extinguishes the extraordinary expenditure in the six months under review, say the directors. In the previous six months extraordinary debits totalled £250,000.

MINING NEWS

Amcoal earns more but faces weaker markets

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA's coal giant, Anglo American Coal Corporation, has again done well in the half year to September 30. But, as Mr Graham Boustred, the chairman, warned with the annual report the profits growth rate is significantly lower than that of the previous 15-month period.

under the phase IVA export programme through Richards Bay. This raises the group's overall export allocation to 15m tonnes annually.

lower levels than for 1982. The Vereeniging Refractories subsidiary has suffered a 50 per cent fall in half-year profits and the demand for its products is expected to remain depressed.

£111.5m net attributable profits for the latest half year come out with a rise of 11.5 per cent at £60.4m (£51.6m) or 247 cents per share, compared with £54.2m in the same period of last year.

On the other side of the coin, Amcoal points out that publication of its annual report in June both the domestic and international coal markets have weakened further. In September domestic South African sales by Amcoal and others were 21 per cent down on those of a year ago and lower sales are expected to persist into next year.

However, Amcoal expects to maintain the current level of its earnings in the second half of the year provided that there is not material change in the South African-U.S. exchange rate and that revised sales forecasts are achieved.

Oakbridge also does well but fears for Australian costs

OPERATING profits of Australia's Oakbridge mining and industrial group were boosted by higher coal sales in the year to June 30 and amount to £31.2m (£28.6m), compared with £31.2m in the previous 12 months.

While Mr Mopp remains confident of the long term export market for coal, which is still far cheaper than oil, he is concerned at the erosion of the competitive position of the Australian coal producer as a result of strikes and increases in wages and government charges over the past 18 months.

It is pointed out in the annual report for the year to June 30 that fuel oil prices opened the year at \$35.59 per barrel and closed it at \$29.08. Australia's domestic coal prices, on the other hand, continued to escalate at a rate higher than that of inflation.

A sharply higher tax provision reflecting the reduced availability of past losses as an offset and a lower investment allowance, leaves the net operating profit at AS102.1m or 11.6 cents per share, compared with AS9.2m in 1980-81.

As a result, our traditional Pacific Basin markets are under threat from South African producers who enjoy substantial government incentives in the form of low rates for port and rail facilities, oil royalties and deduction for taxation purposes of all capital expenditure in one year against any income.

The competitive position of Australian coal compared with imported oil in the domestic market is also being reduced, according to Australia's Metals Exploration, a major consumer of both coal and oil.

APPOINTMENTS

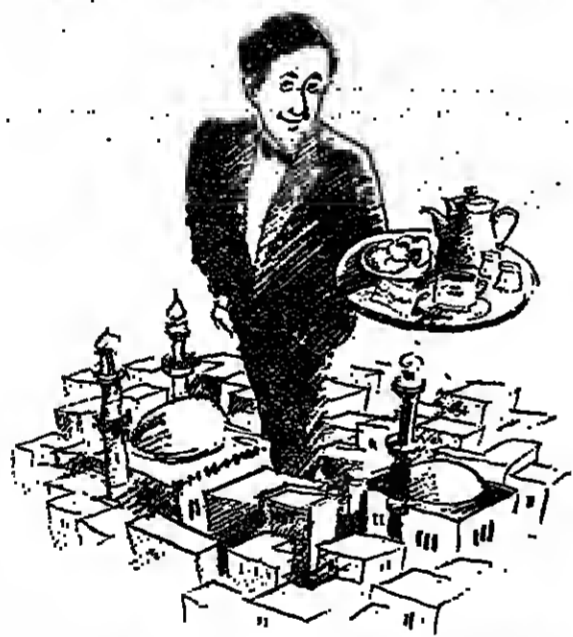
Lloyds and Scottish reorganise

LLOYDS AND SCOTTISH is reorganising its wholly-owned UK indirect credit and leasing activities under the name of Lloyds Bowmaker. The new group will incorporate Lloyds and Scottish Finance, Bowmaker, Hamilton Leasing, Medeno, and RIGP. Scottish Discount and Cedar will also be part of the group but will continue to trade under their present names.

personnel: Mr P. F. Hook, director, support services; and Mr C. Cruickshank, director, special studies.

director of BTS, a subsidiary company. Mr A. Blackman has been appointed company secretary.

THE ART OF BEING PERFECTLY LOCATED IN JEDDA.



THE MERIDIEN HOTEL IN JEDDA: RIGHT IN THE HEART OF BUSINESS.

With its optimum location near the business and residential districts, the Jeddah Meridien saves your time. And in business, time is important, efficiency also means a prime location.



THE FRENCH ART OF FINE LIVING THROUGHOUT THE WORLD.

Staffordshire Potteries (Holdings) plc



Chairman's Remarks

At the Annual General Meeting of the Company held in Stoke-on-Trent on 9th November the Chairman Mr Bill Bowers said:

As anticipated, July and August were difficult months. However, since the beginning of September there has been a small, but encouraging improvement in UK demand. This factor, combined with the major cost reductions being achieved, has enabled our manufacturing divisions to reach performances within our objectives.

Your Board expects action taken to reduce costs in North America to be effective during the third quarter of the current financial year. However, it is too early to predict the extent to which group results will be improved to the year ended 30th June, 1983.

Copies of the Report and Accounts are available from The Secretary, Meir Park, Stoke-on-Trent, ST3 7AA.



In connection with Azour South Power Station Project (Supply & erection of eight steam generators & auxiliary equipment)

Arranged by

THE GULF BANK / بنك الخليج

Commercial Union Assurance Company plc

The Board announces estimated and unaudited profits for nine months ended 30th September 1982 of £15m (1981 £17.1m). These results continue to be adversely affected by the depressed world economic conditions and the substantial weather related losses sustained this year amounting to approximately £3m more than the same period in 1981.

Table showing financial data for Commercial Union Assurance Company plc, including Premium Income, Profit Before Taxation, and Earnings Per Share.

Table showing Shareholders' Funds and Underwriting Result for Commercial Union Assurance Company plc.

Non-life premium income at nine months increased by 12% in sterling terms in comparison with 1981, at six months. After allowing for the effect of changes in the exchange rate, the underlying growth at nine months was 9% (six months 11%).

Difficult trading conditions in the United States continue to be the main cause of our poor underwriting results. In particular, adverse claims experience for liability and workers' compensation business has arisen from the recessionary conditions and competition for personal lines business has depressed premium rates in this class.

In the United Kingdom, market over-capacity and conditions arising from the recession have resulted in a further deterioration in our underwriting experience. In the third quarter, experience was particularly poor for commercial business and we are now hardening our rates in this class.

In the Netherlands, the overall contribution to profits continues to increase most satisfactorily, with increases in life profits and investment income well exceeding the small deterioration in non-life underwriting result.

In Canada a small underwriting profit was made in the third quarter, continuing the marked improvement in results shown at six months. Rate increases and improved experience in the fire and motor classes are responsible for the improved result.

Investment income, out of loan interest, increased by 22%. After allowing for the effect of changes in rates of exchange and other factors, the underlying increase was 20%. While the effect of falling interest rates will, over time, affect the rate of growth in investment income, the impact on the value of our investment portfolio has been marked.

Table showing results of operations for Commercial Union Assurance Company plc, including United States, Netherlands, and Canada.

Insure with Commercial Union Assurance

LONDON & PROVINCIAL SHOP CENTRES

Results for year ended 24th June, 1982: Profits £1,074,000 - an increase of 61%. Investment properties professionally revalued at £79.5m. Net assets 594p per share.

Table comparing 1982 and 1981 performance for London & Provincial Shop Centres, including Rental Income, Profit Before Tax, Gross Assets, Net Assets, and Dividend.

Report and accounts available from The Secretary, London & Provincial Shop Centres (Holding) Ltd, 25, South Street, London, W1P 3DP.

Companies and Markets

WORLD STOCK MARKETS

Dow closes sharply higher

WALL STREET stock prices closed sharply higher on strong volume as hopes increased that interest rates would soon fall.

The Dow Jones Industrial Average ended the day up 22.81 to 1090.25.

Analysts said the main cause of the optimism was the rate which banks charge each other for overnight loans - fell to 9 1/2 per cent from the opening 9 3/4 per cent.

Stores saw Horton drop DM 2 to DM 125.5; Kaufhof rose DM 0.50 to DM 172.50 and Kaufhaus ended unchanged at DM 152.50.

NEW YORK (Closing Prices) Nov 9. Table listing various stocks and their prices, including sectors like Chemicals, Metals, and Services.

AT MIDSESSION the average was ahead 12.80 at 1090.04. The New York Stock Exchange all-commodity index rose 0.51 to 81.70.

McDonnell Douglas was a big loser in the morning session, falling 5 1/2 to \$39.

Germany Share prices closed mixed with a higher bias in low turnover trading as the market continued to consolidate.

Switzerland Shares closed narrowly easier in morning trading influenced by fears that a new Italian government crisis could damage the economy.

Canada Toronto stocks were higher at noon, paced by a firming in gold mining issues.

France French share prices were mixed in early trading, but a limited strength of the dollar.

Australia Lower Wall Street prices were reflected in trading in Sydney, brokers said.

Japan The All Ordinaries index closed down 1.2 to 2,514.9, led by a seven-point fall.

Table of international stock markets including Canada, Denmark, Holland, Australia, Japan, France, Germany, Belgium/Luxembourg, Austria, Norway, Sweden, Italy, Spain, Hong Kong, South Africa, and Switzerland.

Indices NEW YORK DOW JONES. Table showing index values for various sectors like Industrials, Transport, Utilities, and International.

Table showing index values for various international markets including Australia, Austria, Belgium/Luxembourg, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, Norway, Singapore, South Africa, Sweden, Switzerland, Taiwan, and Thailand.

Table showing index values for various international markets including Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Greece, India, Indonesia, Israel, Kenya, Malaysia, Mexico, New Zealand, Pakistan, Philippines, Portugal, Singapore, South Korea, Taiwan, Thailand, and Turkey.

Handwritten signature or mark at the bottom center of the page.

Companies and Markets

LONDON STOCK EXCHANGE

Markets respond to Chancellor's economic statement after initial caution—Index 7.3 higher at 622.9

Account Dealing Dates
*First Declares Last Account
Dealing (ions Dealings) Day
Nov 11 Nov 11 Nov 12 Nov 22
Nov 15 Nov 25 Nov 26 Dec 6
Nov 29 Dec 9 Dec 10 Dec 20

Among the sectors, poor third-quarter figures from Commercial Union unsettled Composite Index... The Chancellor's economic statement brought a relatively muted response from London stock markets yesterday.

couple of pence dearer on balance at 340p. Barclays lost 8 more to 370p but the other major clearers rallied a few pence on technical influences.

London's stock market responded to the Chancellor's economic statement with a rise of 7.3 points to 622.9. The index closed at 622.9, up from 615.6 at the start of the session.

134p. Support was also forthcoming for Dunlop, a couple of pence to the good at 52p, but Automotive Products eased that much to 30p.

Palabras recouped all of the previous day's fall and more, closing 25 higher at 850p, while the strength of gold lifted Consolidated Marseilles 10 to 260p.

CU dip and rally

The 64 per cent slump in third-quarter profits caused by a massive increase in underwriting losses to £179.5m initially depressed Commercial Union, after dropping to a 1982 low of 117p, however, a strong rally followed.

CU dip and rally

The 64 per cent slump in third-quarter profits caused by a massive increase in underwriting losses to £179.5m initially depressed Commercial Union, after dropping to a 1982 low of 117p, however, a strong rally followed.

Oil improve

Overhauled recently by the forthcoming Birtell offer, leading oil shares took a modest turn for the better.

FT-ACTUARIES SHARE INDICES

Table with columns for Nov 9, Nov 5, Nov 1, Nov 29, Nov 22, Nov 15, Nov 8, and a column for % change. Rows include Government Secs, Fixed Interest, Industrial Ord, etc.

FINANCIAL TIMES STOCK INDICES

Table with columns for Nov 9, Nov 5, Nov 1, Nov 29, Nov 22, Nov 15, Nov 8, and a column for % change. Rows include Government Secs, Fixed Interest, Industrial Ord, etc.

RIGHTS OFFERS

Table with columns for Issue, Amount, Latest Price, High, Low, Stock, and % change. Rows include BOC 12 1/2, Birmingham, etc.

HIGHS AND LOWS

Table with columns for 1982, High, Low, and S.E. ACTIVITY. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

NEW HIGHS AND LOWS FOR 1982

Table with columns for New Highs and New Lows for 1982. Rows include British Airways, British Telecom, etc.

RISES AND FALLS YESTERDAY

Table with columns for Rises and Falls. Rows include British Funds, Foreign Bonds, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table with columns for Equity Groups and Sub-sections. Rows include Capital Goods, Contracting, Electricals, etc.

NEW HIGHS AND LOWS FOR 1982

Table with columns for New Highs and New Lows for 1982. Rows include British Airways, British Telecom, etc.

Table with columns for Equity Groups and Sub-sections. Rows include Capital Goods, Contracting, Electricals, etc.

London Clearing Banks' balances as at October 20 1982

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England.

Table 1: Aggregate Balances. Columns: Total outstanding, Change on month, £m, £m. Rows: Treasury bills, Other bills, Special deposits, etc.

Table 2: Individual Groups of Banks' Balances. Columns: Total, Change, £m, £m. Rows: UK monetary sector, Other UK residents, etc.

FIXED INTEREST

Table with columns for Price Indices and Average Gross Redemption Yields. Rows include 5 years, 10 years, 15 years, etc.

NEW HIGHS AND LOWS FOR 1982

Table with columns for New Highs and New Lows for 1982. Rows include British Airways, British Telecom, etc.

TABLE 3. INDIVIDUAL GROUPS OF BANKS' ELIGIBLE LIABILITIES

Table with columns: Total, Change, £m, £m. Rows: UK monetary sector, Other UK residents, etc.

FT COMMERCIAL LAW REPORTS

No September loophole in U.S. embargo

ANDRE & CIE SA v TRADAX EXPORT SA
 Court of Appeal (Lord Justice Waller, Lord Justice Kerr and Lord Justice Slade) October 29 1982

WHERE a seller in a string delivers a licensed proportion of the contractual quantity of GAFTA goods, but fails to deliver the unlicensed balance due to government restrictions, he is protected from liability in respect of the balance if the goods were not freely available and he can show that he used reasonable diligence in trying to obtain them; and though restrictions are lifted in respect of future quantities, he is not obliged to go into the market to look for goods when all pre-existing contracts are still subject to restrictions and no loopholes remain open to him.

The Court of Appeal so held when allowing an appeal by Tradax Export SA, sellers, from Mr Justice Mocatta's order in an award of the Board of Appeal of the Grain and Feed Association (GAFTA) in respect of a claim by Andre and Cie SA, buyers, arising out of the September shipment of soyabean meal affected by the U.S. embargo on exports of June 27 1973.

LORD JUSTICE KERR, giving the judgment of the court, said that on June 1 1973 the sellers contracted to sell 3,850 metric tons of soyabean meal in 80 monthly quantities to be shipped April to September 1973.

On June 13 1973 U.S. exporters were advised of the possibility of a quota restriction in June 27 an embargo was put on all exports of soyabean except goods already on higher destined for an exporting vessel, or being loaded on board an export vessel.

Those were known as "loophole goods". Licences were granted from July 2 for 40 per cent of the quantities of all existing export contracts. A bulletin of September 10 announced that while all export contracts made before June 13 remained restricted to 40 per cent, new contracts made on or after September 8 would be licensed to the extent of 100 per cent. On September 24 all restrictions were lifted as from October 1.

In September the sellers made appropriations to the buyers in respect of 40 per cent of the September quantity. The issue as to whether the sellers could successfully invoke the protection of clause 21 of GAFTA form 100.

Clause 21 provided that "in case of prohibition of export or prevention of fulfilment, this contract or any unfulfilled portion thereof as affected shall be cancelled".

Under the authorities relating to the June shipment, a seller, in order to bring himself within clause 21, must show that the shipper had no loophole goods available on June 27 which he had to identify the person at the head of the string who had been prevented by the embargo from shipping or appropriating the 60 per cent balance, namely, the "relevant shipper".

The buyers said that a new loophole was created by the Bulletin of September 10. In respect of the remaining 20 days of September, in that new contracts could have been made to the extent of 100 per cent.

The GAFTA Board of Appeal held that the sellers were protected by clause 21. They took the view that, as intermediate traders, they were not obliged to go into the market to try to obtain goods that might be licensed under contracts entered into after the Bulletin. There was no evidence that such goods were available, or that the sellers had acted reasonably in the circumstances.

The buyers appealed to Mr Justice Mocatta who set aside the Board of Appeal's award. In the present appeal from his decision Mr Grace, for the buyers, argued that the sellers had not obtained the necessary findings of fact to excuse their failure to procure the 60 per cent balance in the market after September 10.

He said that they had failed to show that there was no one in the string above them without goods available in excess of 40 per cent; the relevant shipper might have made a fresh contract and appointed 100 per cent down the string; and the 60 per cent balance might have been available to traders further up the string.

Alternatively, he submitted, the relevant shipper or some other trader higher up in the string might have "sold short" in that he had not concluded any purchase contract before September 10, and he would then be able to cover his September commitment, albeit that 40 per cent reached sellers down the string.

Those arguments were fallacious and unacceptable. First, no shippers could lawfully enter into fresh export contracts after the September 10 Bulletin and use part of the contractual quantity to fulfil commitments prior to June 13. All such contracts remained restricted to 40 per cent.

Secondly, the possibility that the relevant shipper or some trader might have sold short would suggest that someone further up the string had committed breach of contract approaching fraud.

There were limits to what a seller in a string had to establish in order to rely on clause 21, and it had never before been suggested that it included the trading position of all traders up the string, let alone having to negative any breach of contract on an entire part.

The Board of Appeal's finding that there was no evidence that goods were available, when read in the context of the award, amounted to a finding that goods were not freely available. The Board included that the sellers had used reasonable diligence, but should have been more diligent. The Board of Appeal's finding that there was no evidence that goods were available, when read in the context of the award, amounted to a finding that goods were not freely available. The Board included that the sellers had used reasonable diligence, but should have been more diligent.

Editor's Proof

Hundreds of newspapers and magazines in 35 countries are already using the Financial Times Syndication Service. Proof enough that you ought to find out more?

The FT Syndication Service provides publications of all sizes with access to the FT's worldwide news-gathering resources and unrivalled editorial expertise.

As a subscriber, your publication could benefit in several ways. You could receive a constant flow of international and City news. You could reproduce news and feature material from the FT itself as well as using specially-prepared syndicated articles. And

you could have instant access to the FT's exhaustive research facilities.

But there's much more to the FT than just business and finance news. We also provide incisive comment on topics such as politics, science and the arts.

The cost? It may be less than you think. To find out more, please contact our Syndication Manager, Dennis Kiley, at Bracken House, 10 Cannon Street, London, EC4P4BY. Telex no. 8954871.

International Capital Markets

Every Monday the Financial Times publishes a review of the previous week's activity in the international bond markets. Together with a comprehensive tabular list of current international bond issues, it offers the reader a thorough weekly study of one of the most important financial mechanisms in the world today.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

| Trust Name | Manager | Investment Focus | Current Value | Change |
|-------------------------------------|---------|------------------|---------------|--------|
| Alphab Unit Tr. Mgmt. (a) | ... | ... | ... | ... |
| British Columbia Unit Tr. Mgmt. (a) | ... | ... | ... | ... |
| Canaccord Unit Tr. Mgmt. (a) | ... | ... | ... | ... |
| Centennial Unit Tr. Mgmt. (a) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (a) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (b) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (c) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (d) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (e) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (f) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (g) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (h) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (i) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (j) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (k) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (l) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (m) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (n) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (o) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (p) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (q) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (r) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (s) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (t) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (u) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (v) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (w) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (x) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (y) | ... | ... | ... | ... |
| Cheriton Unit Tr. Mgmt. (z) | ... | ... | ... | ... |

JANOLITA

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Table listing various insurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Life Assurance - Continued

Table listing life assurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Life Assurance - Continued

Table listing life assurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Life Assurance - Continued

Table listing life assurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Life Assurance - Continued

Table listing life assurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Life Assurance - Continued

Table listing life assurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Life Assurance - Continued

Table listing life assurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Life Assurance - Continued

Table listing life assurance companies and their products, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including Abney Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

Large table listing various financial products, including insurance, managed funds, and other services, with columns for company names, product names, and numerical values.

INDUSTRIALS—Continued

Table of stock prices for various industrial companies including Johnson & Johnson, Pfizer, and others.

LEISURE—Continued

Table of stock prices for leisure-related companies such as British Leyland and others.

PROPERTY—Continued

Table of stock prices for property-related companies like British Land and others.

INVESTMENT TRUSTS—Cont.

Table of stock prices for various investment trusts.

OIL AND GAS—Continued

Table of stock prices for oil and gas companies.

DAIWA SECURITIES logo and branding.

MINES—Continued

Table of stock prices for various mining companies.

INSURANCE

Table of stock prices for insurance companies.

LEISURE

Table of stock prices for leisure companies.

MOTORS, AIRCRAFT TRADES

Table of stock prices for motor and aircraft trade companies.

NEWSPAPERS, PUBLISHERS

Table of stock prices for newspaper and publishing companies.

PAPER, PRINTING ADVERTISING

Table of stock prices for paper, printing, and advertising companies.

COMMERCIAL VEHICLES

Table of stock prices for commercial vehicle companies.

SHIPPING

Table of stock prices for shipping companies.

SHOES AND LEATHER

Table of stock prices for shoes and leather companies.

SOUTH AFRICA

Table of stock prices for South African companies.

TEXTILES

Table of stock prices for textile companies.

TOBACCO

Table of stock prices for tobacco companies.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

NOTES

Notes section containing financial information and company announcements.

REGIONAL AND IRISH STOCKS

Table of stock prices for regional and Irish stocks.

OPTIONS

Table of stock prices for options.

Companies and Markets CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

FINANCIAL FUTURES

Discount rate hopes depress dollar

Profit-taking and hopes of a cut in the Federal Reserve discount rate in the next few days pushed the dollar down from its recent peaks in fairly quiet foreign exchange trading.

Y271.50 from Y275.70 against the fact improving yen. Sterling - Trading range against the dollar in 1982 is 1.9285 to 1.6232. October average 1.6867.

on the day. The pound eased to DM 4.29 from DM 4.2825; to SwFr 3.6775 from SwFr 3.70; and to ¥451 from ¥456, but rose slightly to Ffr 12.12 from Ffr 12.11.

against the dollar and sterling, but losing ground to the Swiss franc and Japanese yen. The Bundesbank did not intervene when the dollar fell to DM 2.8894 from DM 2.8990 in quiet trading.

Little sign of Life

Volume was at a low level on the London Financial Futures Exchange yesterday, and traders suggested that there will be little reason for an upsurge in activity until the U.S. Federal Reserve's attitude to interest rates becomes clear.

will be very bearish. The December Eurodollar price opened at 90.40, just 2 points lower than the previous close, and moved within a very narrow range to close 7 points up at 90.47.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, % change from central rate, % change from divergence, Divergence limit. Includes Belgium, Germany, France, Italy, Netherlands, etc.

OTHER CURRENCIES

Table with columns: Country, Currency, Rate. Includes Argentina, Australia, Brazil, Canada, Denmark, etc.

CURRENCY MOVEMENTS

Table with columns: Currency, Bank of England, Morgan Guaranty, etc. Includes Sterling, Canadian dollar, etc.

CURRENCY RATES

Table with columns: Currency, Bank of England, Morgan Guaranty, etc. Includes Sterling, Canadian dollar, etc.

LONDON

Table with columns: Date, Close, High, Low, Prev. Includes U.S. Treasury Bills, etc.

U.S. TREASURY BILLS (MM) \$m

Table with columns: Date, Close, High, Low, Prev. Includes 3-month, 6-month, 12-month bills.

THE POUND SPOT AND FORWARD

Table with columns: Date, Day's spread, Close, One month, etc. Includes U.S., Canada, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Date, Day's spread, Close, One month, etc. Includes UK, Ireland, etc.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate. Includes Pound Sterling, U.S. Dollar, etc.

MONEY MARKETS

UK interest rates little changed

Interest rates showed little change in London yesterday. Trading was quiet and uninteresting for most of the day.

of 77m of eligible bank bills at 9 1/2 per cent in band 1 (up to 14 days) and £20m in band 2 (15 to 23 days) at 9 per cent.

authority bills (64-81 days) at 9 per cent. The forecast was revised to a shortage of £600m before taking into account the morning's help and the Bank gave additional assistance of £150m.

purchases of £114m of eligible bank bills in band 2 at 9 per cent and in band 3 (£10m of local authority bills at 8 1/2 per cent).

LONDON MONEY RATES

Table with columns: Rate, Sterling, etc. Includes Overnight, 2 days notice, etc.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

Table with columns: Currency, Term, Rate. Includes Sterling, U.S. Dollar, etc.

MONEY RATES

Table with columns: Rate, Prime rate, etc. Includes Prime rate, Fed funds, etc.

NETHERLANDS

Table with columns: Rate, Overnight rate, etc. Includes Overnight rate, One month, etc.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate. Includes 3 months U.S. dollars, 6 months U.S. dollars, etc.

CHICAGO

Table with columns: Date, Close, High, Low, Prev. Includes U.S. Treasury Bonds, etc.

Weekly markets analysis helps you test our metal

Investors with £100,000 or more of risk capital. Prime yourself with the highest quality advice through our Metal Markets Weekly Review.

Form with fields: Name, Company, Address and Telephone, FT1011

RUDOLF WOLFF FINANCIAL SERVICES LTD. Phone us on 626 4476 or key in on REUTERS WILFU

FOREX ON FINTEL. Through Fintel, on Prestel, you can call up on your TV screen, at any time, information from Guinness Mahon, Marine Midland, etc.

Key #531681# for Guinness Mahon on Fintel. Alan Jones, Fintel Limited, 102/108 Clerkenwell Road, London EC1M 5SA

For him, each alteration is a new beginning. He won't rest until even the smallest scene hits the mark. Rehearsal after rehearsal - day after day: that's the way the director leads his cast to success.

JANUARIA

FINANCIAL TIMES SURVEY

Opec's production restraint is cracking in the face of increased competition from non-members—against a background of price erosion.

World Oil Industry



Lubricating "mind" blowing back on a Mexican drill rig near Villahermosa.

Strains increase as demand falls

BY RAY DAFTER, ENERGY EDITOR

THE STABILITY of the world oil market and the unity of the Organisation of Petroleum Exporting Countries will be given an acid test in Nigeria next month. Steady nerves will be required by all sectors of the oil industry.

For beneath the surface of an apparently calm, over-supplied market some ominous rumblings can be heard from a number of Opec members. The organisation's policy of voluntary production restraint appears to be disintegrating.

The scheme was adopted by the 13 Opec members early this year as a means of preventing oil supplies getting out of hand and stopping what could have been a collapse of prices. As a result of this policy the organisation, for the first time in its history, has found itself playing second fiddle to non-member producers.

For most of this year countries like the U.S., Mexico and the UK have been producing oil at a higher rate as a group than Opec. In the period January to August, for example, non-Opec production (outside Communist areas) averaged about 19.5m barrels a day, some 4 per cent up on the corresponding period of last year.

In contrast, Opec, faced with this increasing competition and a continuing dramatic decline in world oil demand, was forced to cut its output to an average of just over 18m b/d in the eight months to the end of August—22 per cent below the level in the same period of 1981. According to these estimates, provided by Petroleum Intelligence Weekly, Opec has been forced to shut in 42 per

cent of its production capacity. And the strain is telling.

Next month's Opec ministerial meeting in Lagos could therefore be an acrimonious affair. Already three members—Iran, Libya and Venezuela—have decided to ignore the production ceilings set by the organisation as a whole. They, and other members, may feel that a relaxation of production restraint is fully justified given the normal seasonal increase in demand now becoming apparent.

The big question that remains is whether Opec can maintain some control over output and stop production racing ahead. For if this happens there could be a real glut of oil next spring when demand eases, and prices could collapse to the very low levels—\$12 to \$15 a barrel—that have been mentioned in some U.S. economic circles recently.

Lurch

This is the last thing that Western oil companies want to see happen. In the short run, it would render uneconomic many of their energy projects, including most North Sea oil developments. More fundamentally, it would almost certainly cause a disruptive lurch in the oil market that would eventually end in prices spiralling upwards again.

On balance, oil companies and government agencies do not expect any of this to happen. They believe the doves within the Opec camp—Saudi Arabia, the United Arab Emirates, Indonesia and the like—will manage to cobble together some form of compromise to keep the organisation and its production curbs more or less intact.

For, slowly, the market is moving back in Opec's favour. Worldwide production which, earlier this year, dropped to the lowest level since 1978, appears to be recovering.

One of the contributing factors to declining demand has been the unprecedented rate at which stocks have been shed by the big integrated oil companies. This process seems to have come to an end.

A report published last month by stockbrokers Hoare Govett says that companies are now operating a "very tight stocking policy" as a means of reducing overheads. Companies are confident that if they suddenly need more oil, they will be able to buy it on the open market.

As a result, stocks which rose to the equivalent of about 120 days of forward supply last year have now fallen back to below 100 days' supply.

Hoare Govett reckons that by the beginning of next year non-Communist world stocks could be down to the equivalent of 94 days' supply—near the middle of the 80–100 day range considered "reasonable" for the industry. In 1979 and 1978 they fell well below this level (to between 70 and 80 days' supply) and as such contributed to the energy crisis in each of those years.

No one can be certain exactly how much crude oil and oil products is stored in tankers, tanks—and even cans—by refiners and their customers. But, according to the U.S. Energy Department's latest report on the world oil market, non-Communist stocks have fallen by more than 1bn barrels below the 1980 peak.

Estimates of the Energy Department and U.S. stockbrokers Merrill Lynch, Pierce, Fenner and Smith, suggest that there could be modest stockbuilding—at a rate of 400,000 to 500,000 barrels a day—next year, largely as a result of government building up strategic reserves. The change in the stocking position should be reflected in

non-Communist world oil demand which might inch up from this year's level of about 45.5m b/d to nearer 46.5m b/d next year. Given the flat state of the world economy and the continuing influence of conservation measures, it would be rash to predict faster growth—at least for next year.

Scope

The International Energy Agency, in its new report on the energy market, projects that demand will rise to 48m-50m b/d in 1985, to 50m-58m b/d in 1990, and to 58m-74m b/d at the turn of the century. Production of Opec oil is expected to be between 23m and 26m b/d in 1985, and between 24m and 28m b/d in 2000.

But, as the agency points out, such a projection is untenable. Demand would far outstrip production (by as much as 21m b/d in the year 2000) given the limited scope of non-Opec countries to boost their output. Either oil demand must be curbed (by conservation or a further switch to other fuels) or the gap must be filled by higher Opec output.

In practice, a balance of supply and demand is likely to be struck by a combination of these factors—at a price. The energy agency's view that an oil supply gap would appear in the 1990s is based on an assumption that crude oil prices will still be in the \$25-\$45 a barrel range in real terms at the turn of the century.

The U.S. Energy Department believes the gap will be filled if prices rise to between \$38 and \$48.50 a barrel (in 1981 dollars) by 1990 and to between \$53 and \$73.50 a barrel in the year 2000.

Such speculation is worthy and to be expected in a sector of the energy market so dependent on long development lead times. But experience has taught oil companies to be sceptical of forecasts; most of the previous projections have proved to be abysmally off the mark.

Stark evidence of this can be found at the sharp end of the industry, in refining and marketing where oil companies are jostling with each other in their eagerness to pull out of markets and reduce their fixed assets. BP Canada's recent decision to sell, for about \$170m, its refining and marketing interests is but the latest manifestation of this process.

British Petroleum has been rationalising its interests as fast as any major oil company. Its chairman, Mr Peter Walters, says he is intent on making BP a "leaner, fitter company, one that is better placed to take advantage of firmer market conditions when they return.

Like others in the industry BP built up a refining and marketing operation in the 1950s, 1960s and early 1970s on the assumption that demand for oil products would keep growing. In the UK, for instance, annual oil consumption has plunged to about 65m tonnes, less than half the level expected a decade or so ago.

The European Commission, concerned about the amount of excess refinery capacity in the Community as a whole, produced a report this summer showing that without remedial action plants in the EEC could be operating at an average efficiency of barely 56 per cent by 1985. Capacity at the end of this year is expected to be 75m tonnes a year while 1985 demand on EEC plants is projected to be no more than 42m tonnes annually.

Scrapped

A considerable amount of capacity has already been scrapped or mothballed—more than 70m tonnes of annual capacity since 1979 according to the Commission. By 1985, the Commission hopes, EEC annual refining capacity should be down to 60m tonnes. Even then, according to an unpublished report commissioned by the EEC, the remaining refineries would be operating at



Lo van Wachem: industry undergoing intense change

only 72 per cent of their capacity.

However, a clink of light is appearing in the tunnel. Stockbrokers Kitcat and Aitken reports that thanks to rising product prices European refiners and marketing companies are gradually returning to operating profitability (before overheads) after two years of almost solid loss-making.

The industry has still a long way to go before it can be deemed healthy. Mr Lo Van Wachem, president of the Royal Dutch Petroleum Company and a managing director of the Royal Dutch/Shell Group, castigated some companies last month for failing to take unpalatable—but necessary—rationalisation and cost-cutting measures.

"It is the consequences of failure to respond which are unpalatable," he told financial analysts. "Clearly our industry is undergoing a very intense period of challenge and change."

CONTENTS

Oil reserves: The myth of the shortage II
Non-Opec countries: gaining in market share II
The oil majors: watching every cent III
Opec market forces eroding the revenue III
Explorations: Oil price doubts trim prospects IV
Oil rigs: too many new ones for the market IV
Equipment: improved platforms for deep water IV
Support companies: success of Continentals V
Pipelines: problems of over-capacity V
Tankers: more vessels go to the scrapyard VI
Refineries: no end to their troubles VI

WHEREVER THE OIL VENTURE.

Scanoil has established itself as one of the world's largest independent oil trading companies with an annual turnover approaching USD 5 billion. Scanoil's headquarters are located in Stockholm with regional offices in New York, Houston, London, Madrid, Tokyo, Singapore, Hong Kong, Lagos and Gothenburg.

Scanoil is the major subsidiary of STC Scandinavian Trading Company which in turn is a member of the Swedish based Volvo Group.

STC Scandinavian Trading is involved in the whole spectrum of oil industry activities from oil exploration and production in USA to marketing of motor gasoline and heating oil to individual end-consumers in Sweden.

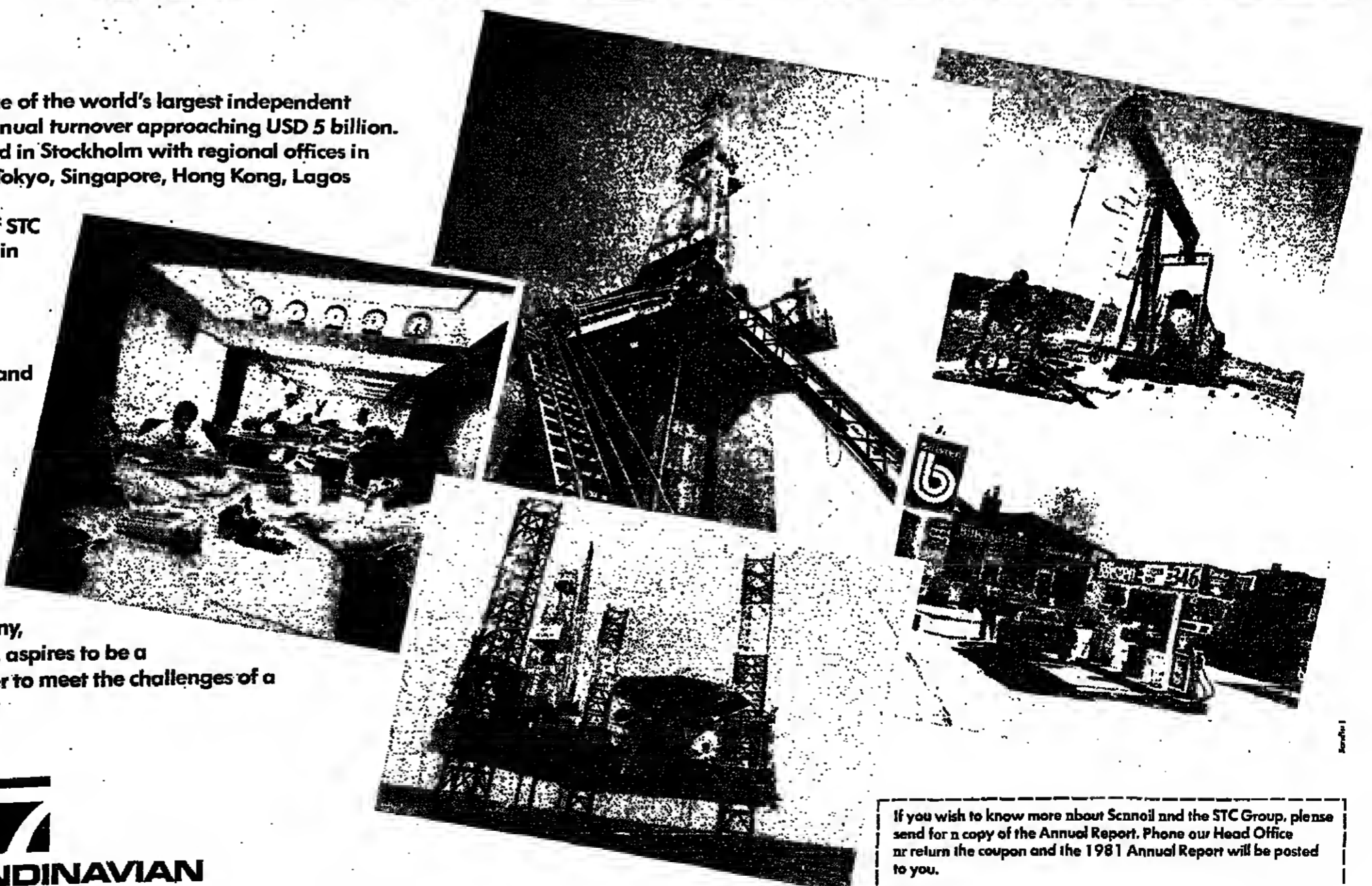
STC Scandinavian Trading is also active in the offshore industry, mineral prospecting, recycling of metal wastes, leasing, promissory notes and special financing, and trading of other commodities.

STC Scandinavian Trading Company, with a total worldwide staff of just 250, aspires to be a dynamic and flexible organization eager to meet the challenges of a rapidly changing business environment.



STC SCANDINAVIAN TRADING

STC Scandinavian Trading Co. AB. (Nybrogatan 3), P.O. Box 7451, S-103 92 Stockholm, Sweden. Telephone: +46 8 24 65 80. Telex: 19442. Scanoil AB (Nybrogatan 3), P.O. Box 7451, S-103 92 Stockholm, Sweden. Telephone: +46 8 24 65 80, 23 33 05. Telex: 19442, 19430, 13294.



If you wish to know more about Scanoil and the STC Group, please send for a copy of the Annual Report. Phone our Head Office or return the coupon and the 1981 Annual Report will be posted to you.

Name
Address
Country
Company

Flat prices and depressed demand have resulted in cost-cutting and new strategies. The trend is expected to be a long-term one.

Major companies tighten their belts

EXXON, the world's largest oil company, held an unusual open-air auction in Colorado last October. The auction raised \$5m—a pretty amount, one might say, for a company with annual revenues of more than \$100bn. None the less, even for Exxon every cent helps in these days of flat oil prices and depressed demand for energy.

The auction involved the sale of equipment and other chattels once used on the now-defunct Colony oil shale project—until recently regarded as the centrepiece of America's synthetic fuels programme. With cost estimates constantly running higher, Exxon, which at the end was putting a \$6m price tag on the shale project, decided to abandon Colony. The move was an eloquent reflection of the dramatic changes that have been taking place in the thinking and strategies inside the executive suites of some of the world's largest oil companies.

Cost-cutting—from big reductions in personnel to closures of refineries and other facilities, to cutbacks in research and development spending in new technologies and alternate fuels—has become the order of the day. And all the signs suggest that it is not just another temporary trend but one which is likely to last for a good many years to come.

Earnings

The latest batch of quarterly profits reported in October by the major U.S. oil companies have again demonstrated how deep the lower oil prices and energy demand have eroded earnings. With only a few exceptions, the big oil companies in the U.S. reported declines in third-quarter earnings of between 10 per cent and more than 50 per cent compared to the third quarter of last year.

According to Dillard Spriggs, president of the New York-based oil consulting firm of Petroleum Analysts, the current problems of the oil industry "not only reflects sagging oil prices resulting from sharply falling demand for oil products since 1979, but the failure of most companies in the industry to control costs." He, like many other critics of big oil company managements, suggests that managements paid little attention to expenses so long as the price of oil was rising.

"That was true," Mr Spriggs

told a recent conference in Canada, "not only of operating costs but also of interest expenses which leaped ahead—again because most managements did not observe carefully how much it cost them to borrow from banks and other sources."

The adjustment has been the hardest for the four partners in the so-called Arabian American Oil Company (Aramco), Exxon, Mobil, Texaco and Standard Oil of California (Socal)—the four largest U.S. oil companies in that order—have traditionally been heavy lifters of Saudi Arabian crude.

For a long time, their Aramco connection was a great advantage, especially when oil prices were going through the roof and the Saudis sought to maintain moderation in prices. But the Saudis have now been seeking to defend a \$34 benchmark price for Arabian light crude or more than what the equivalent oil can be sold for on the spot market. As a result, the Aramco advantage suddenly became an Aramco disadvantage for the four huge oil companies.

Although in the long term large secure supplies of Saudi crude will remain a major asset for any oil company, they have hit the profit margins of the four U.S. oil majors hard in recent months, especially in Europe where oil product prices have been under particular pressure because of the combined effects of the recession and conservation.

Apart from trimming their workforces, cutting back on expenses (at Exxon first-class air travel has been stopped) and other steps which industries such as steel and cars have been taking for some time, the big oil companies have taken a hard look at their capital spending budgets.

All the companies have revised their original 1982 spending plans downwards from their targets announced at the end of last year. While a number of large companies including, among others, Exxon, will in fact end up spending more or at least as much as they did in 1981 this year, they are not maintaining the same high rate of increase in year-to-year capital spending.

Indeed, it now seems unlikely that capital budgets will be rising above 1981 levels for some years to come. Mr John Bookout, chairman of Shell Oil

the U.S. oil company 69 per cent owned by the Royal Dutch/Shell group, told securities analysts in New York in October that oil company cash flow will depend on two things: the price of oil and the level of taxes. Thus if the price of oil does not increase in real terms, there is little likelihood of increases in capital spending. If taxes should be increased, capital spending programmes would have to be further scrutinised.

In terms of capital spending, the major U.S. oil companies

are now looking carefully at their foreign operations both in the upstream and downstream parts of the business. Gulf, for example, is pulling out of its downstream operations in Europe and is currently negotiating the sale of these assets with Kuwait. But companies are also bringing back to the U.S. overseas dollars from foreign exploration and production. Indeed, the overwhelming trend is for the international oils in the U.S. to increasingly turn to the domestic market in the U.S. In

prices in almost as many months.

The great leap forward of 1979-80 arose from an acute fear of a drastic shortfall in supplies rather than an actual one. But the consequent improvement in per barrel earnings did stimulate certain thinking about conservation among Opec members.

The circumstances then were ideal for it to start acting as a cartel and there seemed more than a distant prospect that it would do so. In practice, though, Saudi Arabia consistently lagged behind the prices set by its lesser fellows in its attempts to assert some restraint for the health of the world economy as a whole. By raising the ceiling on its output after the outbreak of the war between Iraq and Iran, it did so again in the autumn of 1980.

Surge

Not only was the surge in prices on the spot market halted, but the market did not feel the effect of the stoppage of over 5m barrels a day of supplies from Iraq and Iran. Saudi Arabia was the first member of Opec to perceive the danger that the producers' association, by pitching prices too high, might weaken future demand for the export commodity, on which all rely heavily.

At the abortive attempt to restore a unified price structure, brokered early in 1979, Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, had

argued that the reference should be no more than \$26 per barrel compared with the \$32 then set by the Kingdom and the "deemed marker" of \$36 observed by all but one of the other members.

Compromise, which was finally reached in November 1981, could have laid the basis for effective action as a cartel—if it had come earlier. The agreement setting a common \$34 reference, with the issue of differentials for the premium African crudes, came too late and the price at too high a level.

Since then, however, the predicament of Opec as a whole—if ever it could be described as such—has illustrated the nature of a body that never had pretensions to sovereignty over members' interests and has always been prone to political divisions—Arab-Iranian and pan-Arab—of its Middle East membership which has always been predominant in terms of Opec's total production.

By the beginning of this year the dimensions of the predicament caused essentially by Opec's aggressive and blind exercise of its price leadership had become clear. Conservation, the switch to alternative sources of energy, and the general economic recession had all taken their toll. The circumstances were such as to stimulate Opec in March into making its first real attempt to set a production programme when a ceiling of 17.5m barrels a day was set.

Saudi Arabia, trying to remain true to its traditional policy of rejecting any output controls, gave only implicit assent but unilaterally reduced the upper limit on its rate to 7m b/d. Iran's acquiescence in the quota of 1.2m b/d set for it was assumed rather than given and the fact that it was already selling at \$2 below the Opec price level was generally overlooked for the sake of preserving maximum unity.

Nigeria was brought into line as its production slumped and it looked as if it might capitulate to market pressures by price cutting.

Hopes of a hardening of demand, which would allow modest, progressive increments in the ceiling, proved to be unjustified despite encouraging signs before the ministerial conference in Quito, Ecuador, in May. In the face of continuing soft demand it had become clear by August that neither Iran nor Libya had any intention of observing their quotas.

Venezuela then let it be known that it would not abide by the programme if others did not observe it. By October Iran's output was running at 2.5 to 2.7m b/d while that of Libya—stimulated by a variety of disguised discounts—had surged to 1.7m b/d compared with the quota given to it of 800,000 b/d.

Overall, independent industry estimates have put Opec's output over the second quarter at 17.5m b/d, more or less in line with the ceiling, and 18.6m in the third quarter. The main impact has been on Saudi Arabia, traditionally the "swing

producer," which bore the brunt of the decline in demand in the 1975-77 period.

But in the present crisis it has been very much less than willing to see its revenues eroding as its output slumped in the third quarter to an average of less than 6m b/d. The Kingdom and other conservative Arab producers of the Gulf have become eroded by price-cutting and over-production by other members.

The forthcoming ordinary ministerial conference in Lagos next month will be a critical test of Opec's ability to "agree to disagree" or quarrel without breaking asunder. Difficulties will be compounded by the dispute over the right level of differentials for the premium African crudes, with Saudi Arabia and its allies adamant that they should be raised from the present level of \$1.50 per barrel to \$3-3.80.

Strains may be somewhat eased in the last quarter when demand for Opec oil is generally expected to recover and average about 21m b/d as a result of the progressive rundown of stocks and seasonal factors. Yet many pundits now forecast another slump in the spring which could prove even more of a challenge.

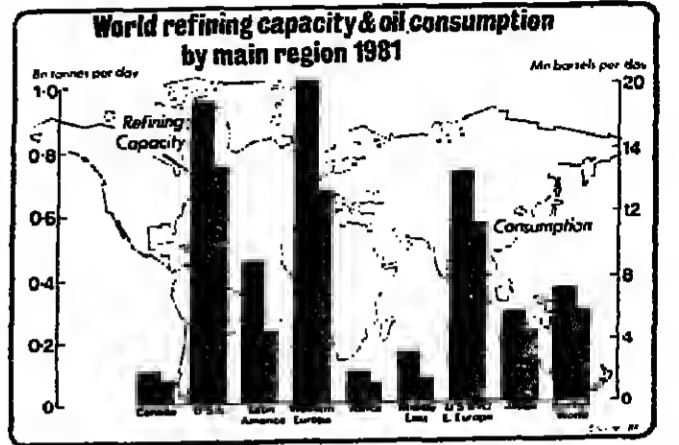
Certainly, there is little prospect of an amicable sharing of a greatly-diminished cake. At least there is a consensus that prices, even in nominal terms, until 1984 at least. The general hope is that the decline in real prices will stimulate demand. Demand for Opec oil has

fallen dramatically from a little more than 30m b/d in 1978 to about 20m b/d this year. Sheikh Al Khalifa al Sabah, Kuwaiti Minister of Oil, recently put the predicament in some perspective when he said: "Opec's oil is the residual source of energy in the global energy picture. Opec's oil is the residual source of oil in the total energy supply. Therefore, Opec's oil is the residual supplier of the residual fuel. The marginal of the marginal. This is Opec's weakness and strength."

Opec is reconciled to the fact that for the next few years there will be only a marginal increase in the demand for its oil. The full re-entry of Iraq to the market, not an imminent prospect, would further put the squeeze on other members. Thereafter, it is a matter for debate as to how long over-supply persists.

Sheikh Yamani, for one, takes issue with those forecasters who see the surplus extending into the next decade and perhaps to the year 2000. In this respect he finds himself at one with the International Energy Agency with its repeated warnings against complacency, and predictions of shortfall in supplies at the turn of the decade.

In the meantime the fact remains that Opec still possesses the greater part of the world's reserves and they are being depleted only a quarter as fast as those of the industrialised countries.



Paul Betts

Opec revenues eroded by market forces

Richard Johns

When trading opportunities knock, the Geobankers have the banking network to open doors for you.



From Rotterdam to New York to Yokohama, the world's ports report an increase in goods coming in and going out. More and more companies, it seems, are expanding their horizons from domestic to global markets.

When oceans separate you from trading partners, you can conquer the distance through your local Geobanking connection. Geobanking is the synonym for worldwide banking at Manufacturers Hanover, a major U.S. bank with \$55 billion in assets.

How to feel right at home, thousands of miles from home.

With Manufacturers Hanover as your export/import bank, you can work with buyers or sellers anywhere in the world through safe, reliable and efficient banking channels. Call on the Geobankers, and you'll have access to one of the most extensive banking networks of all: over 100 Manufacturers Hanover offices, subsidiaries and affiliates in over 40 countries, plus nearly 5,000 correspondent banks in the U.S. and more than 130 other countries.

When you're ready, we're ready.

Delays in Letter of Credit transactions and collections can be costly by denying you prompt payment for exported goods

or timely access to imported merchandise.

At Manufacturers Hanover, we have the systems in place to expedite processing of Letters of Credit. And we have the people, too, with specialized skills in processing the required documents swiftly and accurately.

Also, the international recognition of the Manufacturers Hanover name on your Letter of Credit helps assure acceptability and prompt servicing.

Sorting out the possibilities.

The opportunities that exist in foreign trade extend to small and medium-sized companies as well as large multinational corporations.

Toward that end, we offer you a complete line of services. We can arrange the type of financing that suits your needs best—from a Letter of Credit to short-term financing. We'll advise you regarding available government programs. And, as a leader in foreign exchange trading, we can often get you the best rates for your spot and forward currency transactions.

So when trading opportunities knock, talk to the Geobankers of Manufacturers Hanover. They can open doors by putting their total global commitment to work for you.

MANUFACTURERS HANOVER
The banking source. Worldwide.
Headquarters: 350 Park Avenue, New York, N.Y. 10022

In Europe and Scandinavia: Athens, Barcelona, Brussels, Bucharest, Duesseldorf, Edinburgh, Frankfurt, Guernsey, Hamburg, Hannover, Lisbon, London, Luxembourg, Madrid, Manchester, Milan, Munich, Oslo, Paris, Rome, Stockholm, Zurich

A total of over 100 Geobanking offices in more than 40 countries around the world.

Richard Johns

WORLD OIL INDUSTRY V



Drilling in the North Sea where, according to one recent study, Continental companies supplying equipment are proving extremely competitive

Europe and the Far East are the leading specialist suppliers

UK support groups lagging

UP TO £8bn a year is spent worldwide on offshore exploration and exploitation projects—a market which provides considerable opportunities for thousands of equipment manufacturers of all sizes throughout Europe, the Far East, and the U.S.

With between a third and a half of this market represented by North Sea operations alone, it would be expected that UK companies would have a significant stake in supporting the offshore industry.

However, a recent study on the impact of British industry on the North Sea oil boom reached the interim conclusion that, with the partial exception of underwater work, the key offshore activities and associated engineering remain dominated by foreign contractors.

Further, U.S. contractors are not all U.S.-based as might be expected given the preponderance of U.S. oil companies in the North Sea, but "a number of Continental companies have also established competitive capabilities in various offshore activities."

Image
Support for offshore oil activities comes in a number of areas, often for less glamorous than the popular image of oil rigs. For example, needs the back-up of safety vessels and supply boats ferrying equipment to and from shore. In addition, there are the other components needed to drill a well apart from the rig itself: such supplies as the drill pipe and drilling bits, "mud" or drill-

ing fluid, and steel tubing and casing. Sales of drilling fluid, for example, have been growing rapidly. During the late 1970s, sales worldwide are estimated to have grown at the rate of about a fifth a year, with a faster growth rate in the U.S. Over the next few years, estimates are that the growth in demand will increase by over 30 per cent a year on average—a result of greater drilling activity, especially the trend towards deep gas drilling. This particular trend is important since the cost of "mud" rises considerably as the depth of the well increases.

The companies that stand to benefit most from a "mud" boom are the sector majors: Magco, a division of Dresser Industries; Baroid, part of NL Industries; IMCO, a division of Halliburton; and Milchem, part of Baker International. In addition, there are numerous smaller companies serving both national and international markets.

In the technologically specialist areas such as exploration drilling, rig construction, platform installation and pipelaying, suppliers come from Europe with strong competition from Japan and the Far East.

According to a report by the Science Policy Research Unit at Sussex University, carried out by Mr John Surrey head of the energy group, certain European yards are doing particularly well. These include Akers, Trosvik and Frammasen in Norway, Gotaverken in Sweden, Rauma Repola in Finland, and CFEM in France.

In platform installation, Heerema of Holland and Mic-

per of Italy rank with the U.S. specialists. In pipelaying, the French and Italians are especially strong. The reason for this market strength of countries which do not have the easy accessibility of the North Sea industry seems to lie in a combination of a willingness to invest on the part of the companies concerned in high-risk areas, and the close relationship—sometimes stimulated by government—between customer and supplier. This is especially true in France and Italy.

Responsibilities

In Norway, the government formed Statoil, a similar type of company to the British National Oil Corporation (in its old form), but which additionally has specific responsibilities in connection with procurement policy.

In the UK, British policy has been channelled through the Offshore Supplies Office, a Government body set up to ensure that British industry gets a reasonable share of North Sea work.

The supplies office, not without its critics, has proved effective in securing orders for equipment, described as being "very helpful" in guiding the company when it was tendering for the important part that it won on the tension leg platform being built for Conoco.

On the basis of the limited data available, the Sussex University research team came to the conclusion that the UK share of support services is "heavily concentrated on fabri-

cation, manufactured equipment, and less-specialised support services, in activities which were within the pre-existing capabilities of British industry."

A recent report by Shell UK, The North Sea: a springboard for British industry—points out that a number of specialist module-building companies have been established in the UK to cater for the needs of the offshore industry. It adds that some have already succeeded in winning orders from other parts of the world, where similar techniques are being used for other offshore developments.

Whose, for example, has also won an order to supply prefabricated modules for installation at a nuclear power station based on experience gained in fabricating units for the North Sea oil industry.

The Shell report lists a number of examples of how British industry is taking advantage of the North Sea. "Undoubtedly, one of the major benefits of North Sea activity has been the stimulus given to many British companies to operate in areas of advanced and specialised technology," the report adds.

"Previously, many of these areas were served exclusively by a few foreign contractors. Firms which have developed a specialised British capability in such fields are now able to compete for orders in international markets. In addition, their involvement in the home market should mean that the UK no longer has to import such specialist technology."

David Churchill

Stocks have got out of control because of over-capacity Sharp fall in pipeline market

STEEL PIPELINE, according to one of Europe's biggest steel stockists, is fairly difficult to give away at the moment. The villain of the piece has been a sharp slump in sales to the U.S., where the industry woke up to the fact at the end of last year that pipeline stocks were getting out of control.

Last year and the year before remained boom years for pipeline in the U.S. while markets in the rest of the world flattened out. Over-capacity within the EEC and other major producing countries marched directly into the U.S., which was one reason why pipes and tubes found themselves a focal point of the recently resolved steel imports dispute between the U.S. and the EEC.

Even some European producers admit that imports of pipeline into the U.S. market had begun to get out of hand 12 months ago. One cannot conclude of the amount of material that was shipped in," said one industry official recently.

Hopes among the big European producers, Mannesman of West Germany, Dalmine of Italy, Vallourec of France and the British Steel Corporation, that the crash of the U.S. market might have freed a new sense of realism in other manufacturers have not been realised. "There is still too much capacity chasing too little business," a U.S. manufacturer said. One of the reasons for this was that a number of producers exporting to the U.S. read the market incorrectly, predicting the fall-off in demand up to 18 months after it happened. In many cases it has proved difficult to cut production quickly enough to follow the market down.

A second reason for the continuing over supply of pipeline is that some Japanese steel companies, which produced no seamless pipe when the U.S. market blossomed about three years ago, added new production lines. Some 2m tonnes of seamless pipe is due to come on stream in Japan next year.



Welding pipeline in the North Sea. British producers are expecting a moderate flow of orders for new developments there next year. But in the industry overall there is still too much capacity chasing too few projects

Contractors Association, warned recently that the industry would not pull out of the construction slump for some time.

He said in Berlin that during the rest of the decade, there would probably be only another 49,050 miles of crude oil pipeline laid. According to the authoritative Oil and Gas Journal of the U.S., that forecast compares with 9,550 miles laid this year and 49,680 over the previous five years.

Healthy

Mr Turkohl said the gas sector was still relatively healthy but it seemed the decline in orders would spread to the sector within the next seven years. He expected 20,985 miles of long-distance gas pipeline to be laid this year, with another 14,885 miles before 1990.

The decline in pipeline construction for oil products has been even more dramatic than the crude oil sector. More than 11,610 miles will be built this year but present plans call for

only 17,990 miles to be constructed between now and 1990. Mr Turkohl said decline in the oil and gas industry would coincide with an increase in the construction of slurry and water lines but it was difficult to say whether this increase would offset falls in business from hydrocarbons.

Under-utilisation of existing lines meant that new oil and gas pipelines would be built only where new sources of hydrocarbons were discovered. Mr Turkohl said it was likely that the offshore sector would fare better than the onshore sector because of this.

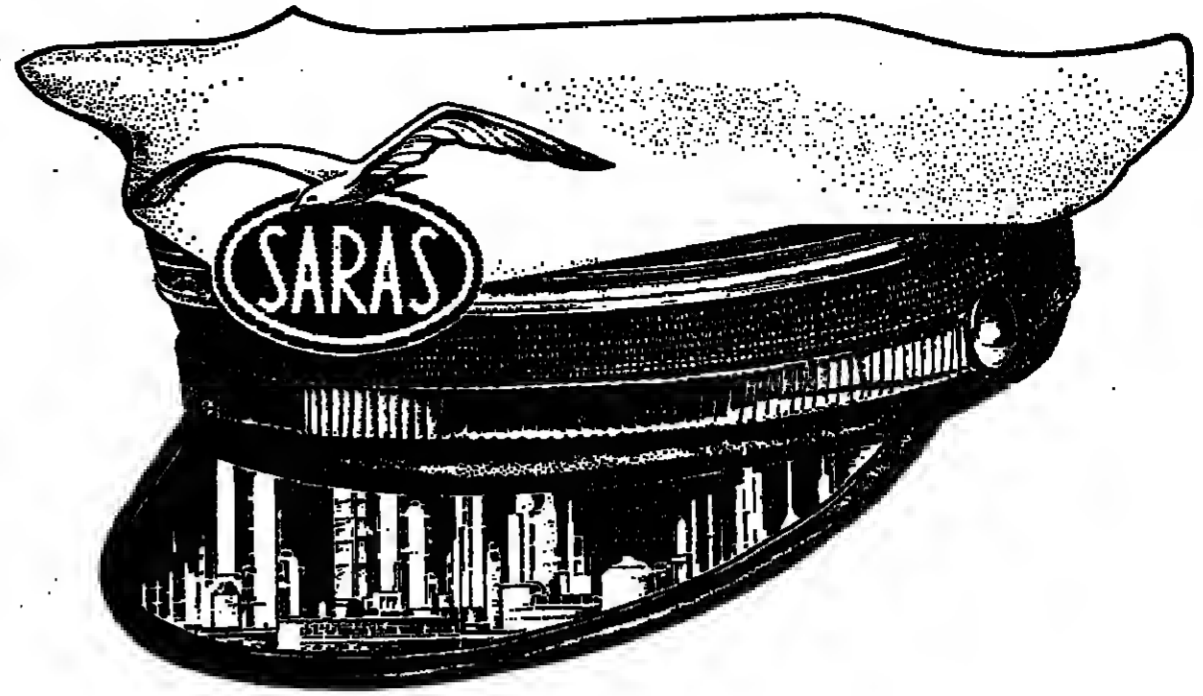
One promising prospect for European producers of seamless and welded pipelines lies in the probability that existing pipelines in Western Europe do not have the capacity to carry the amount of gas scheduled to be delivered by the controversial Soviet gas pipeline. New lines may have to be built alongside the Middle European Gas Line to serve France, the Low Countries and Italy.

British producers are also expecting a moderate flow of orders for new North Sea developments next year. British steel in particular will not be placing great store by the North Sea, however, after having its hopes dashed last year when the Government shelved plans to build a £2.7bn gas-gathering pipeline.

Gloom has also settled over heavy plans to build a \$400m gas pipeline to carry Alaskan north slope gas through Canada into the U.S. West Coast and to Chicago. Objections from banks reluctant to finance the project, and from Congress which has argued that it would be too expensive, have put the project on the shelf.

There are also serious doubts about Mexico's ability to carry through its ambitious plans to lay some 5,400 miles of production and gas lines throughout the country, following the eruption of its debt crisis in August. Mexico has international debt of more than \$80bn.

Peter Bruce



The refinery at your service

Saras refinery was planned, built and equipped to process customer's crude oil.

It has a yearly processing capacity of 18 million metric tons and such a flexibility as to admit, stock (in the huge tanks system of 3.6 million cu. mt.) and handle any kind of crude oil through the many processing stages asked by the customers, offering a range of refined products that can meet every requirement.



SARAS SpA RAFFINERIE SARDE

HEAD OFFICE: 20122 MILANO - Galleria de Cristoforo, 8 - Tel. (02) 7737 - Telex 31273 SARAS I
REFINERY: 09018 SAFROCH (CAGLIARI) - Km. 19 - S.S. 54 Cagliari - Tel. (070) 900001 - Telex 790169 SARAFF I
BRANCH OFFICE: 00187 ROMA - Via Ludovico, 43 - Tel. (06) 4742701



PARTNERS IN PROVIDING RESOURCES TODAY TO DEVELOP RESOURCES FOR TOMORROW

The demands for new techniques, for enormous capital investment, for ingenuity and expertise in marshalling resources can all be met in partnership. We are involved in sixteen offshore exploration blocks in British waters and in the development and production of the Thistle and Beatrice fields. The DEMINEX group participates with technical expertise and financial resource, as operators and

non-operators, in more than thirty exploration ventures throughout the world.
DEMINEX UK OIL AND GAS LTD.
Bowater House,
68 Knightsbridge,
London SW1X 7LD



WORLD OIL INDUSTRY VI

THE INTERNATIONAL CONFERENCE AND EXHIBITION ON OFFSHORE AND MARINE TECHNOLOGY

Following the unqualified success of the 1981 trade fair and conference, you are invited to participate in Offshore Göteborg 83.

OFFSHORE GÖTEBORG 83 SWEDEN

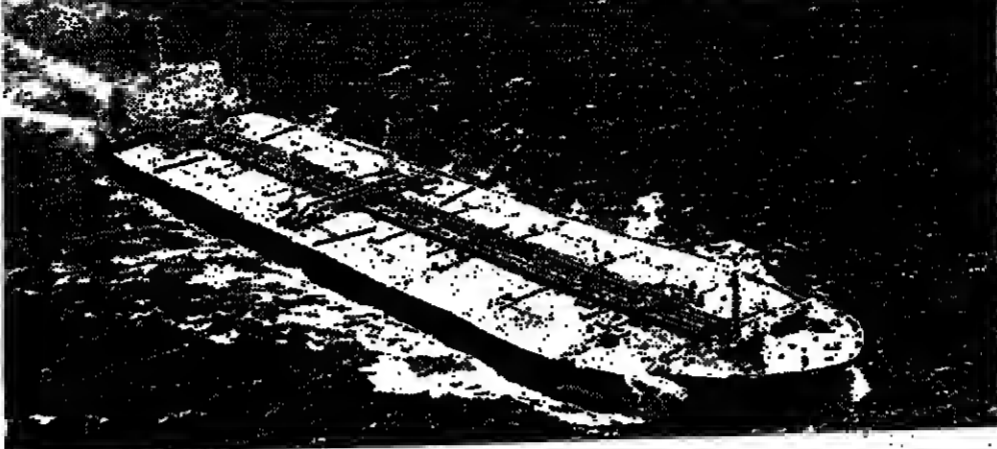
Send to: Offshore Göteborg 83, Box 5222, S-402 24 Gothenburg, Sweden, Telephone: (INT) +4631-20 00 00 Telex: 20 600

International Management and Engineering Group Limited ENGINEERS AND MANAGERS TO THE OIL AND GAS INDUSTRY FROM CONCEPT TO REALISATION

The amount of surplus tonnage scrapped has soared by nearly 80 per cent, as Andrew Fisher reports.

More tankers sold to cut the surplus

THE WORLD'S tanker market has been in a sorry state for more years than most operators care to remember. Ever since the main oil-producing countries raised their prices sharply in the early 1970s, the attractions of the VLCC and ULCC (very large and ultra large crude carrier) have faded.



The sad truth about the industry's gloomy position was rammed home forcefully by British Petroleum a few weeks ago when it announced a massive cutback in its already reduced tanker fleet.

But BP was by no means alone in deciding to sell off its redundant tankers, most of which are likely to go to the scrapyards— which have been doing record business this year.

Texaco, another U.S. oil giant, has also been selling off tankers. At the start of October, it also had 10 tankers laid up around the world, according to Davies and Newman, the 560,000 dwt Seawise Giant, bought and enlarged by the CY Tang Group of Hong Kong, was languishing off the island of Aruba near Venezuela.

overall fleet reduction of 15-16m dwt will be only 5 per cent or so of the international fleet. Since tanker capacity is not expected to drop as fast as demand, the inevitable result will be an increase in surplus capacity.

Laid up Texaco, another U.S. oil giant, has also been selling off tankers. At the start of October, it also had 10 tankers laid up around the world, according to Davies and Newman, the 560,000 dwt Seawise Giant, bought and enlarged by the CY Tang Group of Hong Kong, was languishing off the island of Aruba near Venezuela.

Shell, the Dutch-UK combine, sold five VLCCs last year and is disposing of six in 1982. Altogether, as many as 185 tankers were sold for scrap in the first nine months of this year, according to R. S. Platou, the Oslo brokers.

admitted that the group had thought of leaving shipping altogether. But it reckoned it would still need some sort of fleet, though a smaller and more flexible one, to cope in coming years as demand picked up.

The latest lay-up figures from Davies and Newman show just how hard it has become just owners to find business for their tankers. At the start of

October, as many as 67.5m dwt of tanker tonnage was idle. Of these 285 ships, the vast majority were owned privately rather than by oil companies.

long queues in the Gulf have become common—or transport oil at unprofitable rates. Each week, the regular brokers' reports tell a gloomy tale of tanker rates, with occasional lifts here and there providing the minimum of relief.

BP runs its own lay-up facility in Brunei, an activity on which it actually makes money on the shipping side. Other owners pay about \$20,000 a month to keep their ships there.

DESPITE substantial closures over the past few years there is still no end in sight to the troubles of the world's oil refiners.

Supertankers are not entirely a doomed species. The 270,000 deadweight-ton British Respect, built in Japan in the mid-1970s, is staying in BP's fleet, although many of the group's other oil carriers are being sold.

Thus BP recently re-engined one VLCC, the British Resource, which had been built by Mitsubishi in Nagasaki and then gone straight into lay-up at Brunei without carrying a drop of oil.

BP runs its own lay-up facility in Brunei, an activity on which it actually makes money on the shipping side. Other owners pay about \$20,000 a month to keep their ships there.

Privateers near Athens, and numerous other places around the world harbour idle tankers. The owners of these and other ships face continued losses in the next few years until oil demand picks up and the fleet falls back to a more economic level.

Too large Clearly, the industry's future will not lie with the supertankers which owners ordered with such abandon in the late 1960s and early 1970s. As well as being too large for today's needs and markets—though there will still be a requirement for some big ships—many of them have uneconomic steam turbines, rather than modern diesel engines.

Thus BP recently re-engined one VLCC, the British Resource, which had been built by Mitsubishi in Nagasaki and then gone straight into lay-up at Brunei without carrying a drop of oil.

Over-capacity and flat demand at heart of refiners' troubles

DESPITE substantial closures over the past few years there is still no end in sight to the troubles of the world's oil refiners.

According to provisional figures worked out by the EEC Commission, it foresees little change in 1982 although it believes that 80 per cent utilisation might be achieved by 1985 if capacity were to be cut further to 13.6m b/d.



Petroleum Exporting Countries—more precisely the Arab producers of the Gulf and specifically Saudi Arabia.

The international oil industry is still living with the consequences of the short-sighted building spree embarked upon before the price explosion of 1973-4.

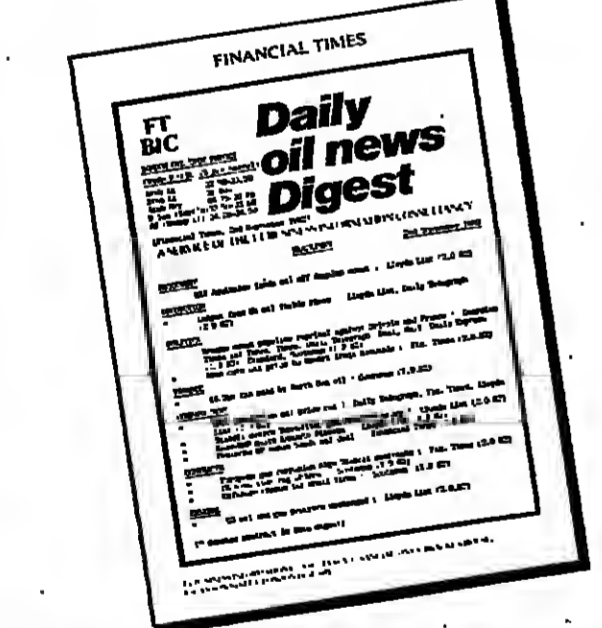
Beyond that, the chances of viability depend upon the rate at which capacity can be more boldly than others to governments and the multi-nationals weighing up the balance of their relationships with them.

the Far East despite a slump in capacity utilisation from 80 per cent in 1979 to well under 70 per cent.

Dr Abdulhardy Tahir, Governor of the Saudi state oil corporation Petromin, said recently that product exports by Arab producers probably would not exceed 20 to 25 per cent of international trade by 1990.

Daily oil news Digest

NEW daily abstracting service



Special Introductory Offer With the rapid changes in the ENERGY INDUSTRY today, there has never been a greater need to be reliably informed.

DISCOVERIES, PRODUCTION, EXPLORATION, REFINING, COMPANY NEWS, CONTRACTS, TECHNOLOGY, APPOINTMENTS

The standard subscription is £250 per UK (£270 Europe, £290 Overseas) 12% DISCOUNT OFFER FOR COUPONS RECEIVED BY 31st DECEMBER 1982

SPECIAL DISCOUNT OFFER VALID UNTIL 31st December 1982. To: McCarthy Information Ltd., Manor House, Ash Walk, Warminster, Wilts BA12 8PY (Tel: 0985 215151)

The root problem has arisen not only from the fact that the build-up was taking place during a period when demand for products was falling remorselessly.

Refiners have been faced with the possibility of a lower proportion of light crudes being available from traditional sources of supply, especially the Middle East.

Under-utilisation is most serious in Western Europe. At the end of 1981 throughput in the EEC countries, for instance, was 10.3m b/d compared with total capacity of 17.5m b/d, ac-

From time eternal men have relied on the Stars...

Under the flag of Star Offshore Services plc, two major companies serve the requirements of the oil industry. Star Offshore Services Marine Ltd own and operates a fleet of anchor handling tug supply, platform supply, supply and diving support vessels.

